

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **OUTPUT OVERVIEW**

Date prepared: 27 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- Tasmanian small businesses employing 19 or less full-time staff make up 97 per cent of our businesses and are a critical part of our economy.
- The strength of our economy is evidenced by CommSec's May 2023 State of the States Economic Performance Report, which ranks Tasmania as Australia's economic leader and best performing economy.
- Business Tasmania, within the Department of State Growth, works closely with businesses and representative organisations, as well as various units across the agency, to align the broad range of activities undertaken to support the small business sector.
- Business Tasmania undertook a broad consultation process in 2022 to deliver the new Small Business Growth Strategy 2026, developed through a strategic partnership between the Tasmanian Government, the Tasmanian Chamber of Commerce and Industry, and the Tasmanian Small Business Council.
- The strategy, which I launched in February this year, identifies the priorities to build the foundation of a thriving small business sector, and is supported by implementation plans, the first of which covers the period from 1 January 2023 to 30 June 2024, identifying more than 110 activities that will be delivered against the strategy's themes and objectives.
- Business Tasmania was also responsible for designing and delivering a range of grant programs to support Tasmanian small businesses. In the current financial year alone between 1 July 2022 and 26 April 2023, more than

520 individual grants totalling over \$2.09 million have been provided to Tasmanian small businesses, through programs such as:

- The Small Business Advice and Financial Guidance Program.
 - The Revitalising Local Hospitality Venues Program.
 - The Small Business Growth Strategy Grant Program.
 - The World Indigenous Tourism Summit Grant Program.
 - The Emergency Response Grant Program relating to the October 2022 weather event.
- Another core initiative delivered by the Small Business Unit is the Business Tasmania service, which is the government's service for small businesses seeking information and support relating to all aspects of starting and running a business, including being the central point of contact when there is a disruption to industry or a natural disaster.
 - Business Tasmania delivers services via a range of traditional and online channels including phone, email, website, and social media, and regularly both runs and attends events around the state in partnership with key stakeholders to reach a wide variety of business intenders and operators, and to build knowledge within the sector about the support services and information available.
 - Between 1 July 2022 and 26 April 2023, the Business Tasmania service responded to 2,024 businesses seeking assistance through the phone service alone.
 - Through this output, the government also funds the Enterprise Centres Tasmania (ECT) program, a state-wide network of independent business advisors providing free business advice and guidance.
 - To 26 April 2023, the ECT program assisted 852 businesses with business support and advice.
 - Given the significantly changed operating landscape for Tasmanian businesses resulting from recent global events, an independent review of the current ECT program was undertaken last year, with the objective of assessing the alignment of the service with current and projected needs of small businesses in Tasmania.
 - The updated service model, the Tasmanian Business Advice Service (TBAS) to be implemented through a staged approach from 1 July this year, takes

into consideration all findings and recommendations of the review, as well as available budget. The updated service will provide comprehensive support to existing businesses, including through the development of a new online platform providing all Tasmanian businesses with access to up-to-date, self-guided, ongoing business planning and support, 24 hours a day, seven days a week.

- Tasmanian intenders and new small businesses will be able to access advice and support through a separate and standalone package – the New Business Support Pilot Program, which will commence from 1 July this year. An exciting initiative as part of this program is the development of the Unlocking Business Opportunities online tool that will enable feasibility testing of business concepts.
- Other key projects that this output is responsible for include:
 - The Business Incubator and Accelerator Pilot Program which provides \$2 million in funding to partner organisations to deliver various programs across multiple sectors, supporting sustainable start-up development and accelerated growth of existing businesses.
 - The Regional Chambers of Commerce Collaboration and Business Development Fund which supports regional chambers to undertake projects and initiatives that benefit its small business members while also promoting collaboration and business development across regional Tasmania.
 - The Minding Your Business Program delivered by Lifeline Tasmania, phase two of which provides a dedicated phone and online counselling service to any business owner, operator or employee to assist to manage mental health and mentally healthy workplaces.
 - The design and development of a new online business continuity emergency planning tool, partly funded by the State Emergency Service's Natural Disaster Risk Reduction Grant Program. The tool will enable any small business to develop a tailored action plan to prepare for natural disasters, a tailored response plan to use during an emergency event, and a recovery plan to move forward after the event has passed, with all plans able to be updated on an ongoing basis as required.

- Finally, the government's Service Standards for Small Business project will investigate the option to develop a "business friendly charter." The charter would establish a commitment by government to be people and business friendly focused and driven by high customer service principles. I understand that the department has recently appointed a project manager and one of their first tasks will be to investigate the delivery of the charter.
- I thank the Department of State Growth and the Small Business unit for the high level of support they continue to provide to the Tasmanian small business community on behalf of the government.

Released under RIA

Background

- The Small Business Unit sits within the Business and Jobs Division of the Department of State Growth.
- The core team consists of the following positions:
- Director Small Business
- Manager Business Tasmania
- Manager Client Programs and Services
- Manager Business Grants
- Manager Stakeholder Engagement and Marketing
- Project Manager
- Project Manager Grants
- Program Officers

Released under RTI

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **BUSINESS ADVICE AND FINANCIAL GUIDANCE PROGRAM (ROUND TWO)**

Date prepared: 30 May 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Small Business Advice and Financial Guidance Program has once again been an extremely successful program assisting Tasmanian businesses.
- The program provides the opportunity for businesses to access specialist financial services and/or business support to assist in recovery, transition, growth, or the application of other management strategies.
- Grants of between \$750 and \$1,500 enable businesses to obtain professional advice from suitably qualified specialists or consultants.
- In round one of the program, 423 small businesses received funding totalling more than \$600,000. Given this success, the Tasmanian Government allocated an additional \$1 million in funding to the program, taking it to \$2.2 million over four years to maximise the opportunity for ongoing support.
- Round two of the program closed early on 17 May 2023 as available funds were fully allocated.
- In round two of the program, 356 small businesses received funding totalling more than \$525,000.

The top five topics that businesses are accessing this funding for are:

- Advice on pivoting, diversification, product innovation, marketing or online presence.
- Advice, support, counselling, and the development of strategies to address financial/operational difficulties.
- Advice and analysis regarding the management of cash flow, preparation of cash flow budgets and projections.
- Strategic analysis.
- Profitability analysis.

The remaining rounds in 2023-24 and 2024-25 of the Program each have \$525,000 in funding allocation.

Key Statistics (current financial year to 30 May 2023)

The following tables indicate the spread of grants approved across Local Government Areas, key industry sectors and the type of business advice and support provided to approved businesses.

Local Government Area	Grant funding amount approved	Grant funding (per cent)	Number of approved businesses	Approved businesses (per cent)
Kingborough	\$53,207.00	10.08	36	10.11
Clarence	\$58,650.75	11.11	40	11.24
Hobart	\$115,679.64	21.91	77	21.63
Devonport	\$47,570.00	9.01	32	8.99
Dorset	\$3,000.00	0.57	2	0.56
Launceston	\$64,283.63	12.18	44	12.36
George Town	\$6,000.00	1.14	4	1.12
Glenorchy	\$10,350.00	1.96	7	1.97
Meander Valley	\$14,691.00	2.78	10	2.91
Circular Head	\$4,500.00	0.85	3	0.84
Glamorgan-Spring Bay	\$4,500.00	0.85	3	0.84
Northern Midlands	\$11,981.00	2.27	8	2.25
Huon Valley	\$14,960.00	2.25	10	2.24
Kentish	\$8,919.00	1.69	6	1.69
Latrobe	\$17,976.88	3.40	12	3.37
Brighton	\$8,449.40	1.60	6	1.69
West Tamar	\$10,305.00	1.99	7	1.97
Central Coast	\$22,470.00	4.26	15	4.21
Derwent Valley	\$10,500.00	1.99	7	1.97
Sorell	\$11,920.00	2.26	8	2.25
King Island	\$1,478.00	0.28	1	0.28
Break O'Day	\$2,985.00	0.57	2	0.56
Burnie	\$11,600.00	2.20	8	2.25
Southern Midlands	\$2,985.00	0.57	2	0.56
Waratah-Wynyard	\$3,000.00	0.57	2	0.56
Tasman	\$2,995.00	0.57	2	0.56
West Coast	\$3,000.00	0.57	2	0.56
Total	\$527,956.30*	100.00	356	100.00

***Note that the additional \$2,000 funded for applicants will be cash flowed by the department**

Industry Sector	Grant funding amount approved	Grant funding (per cent)	Number of businesses approved	Approved businesses (per cent)
Manufacturing	\$25,315.50	4.79	17	4.78
Hospitality (food and beverage)	\$63,905.50	12.10	42	11.80
Construction	\$32,048.05	6.07	22	6.18
Property and business services	\$39,554.50	7.49	27	7.58
Communication	\$7,000.00	1.33	5	1.40
Recreational and fitness	\$26,003.39	4.93	18	5.06
Cultural activities, arts and events	\$38,679.58	7.33	26	7.30
Accommodation	\$23,170.90	4.39	16	4.49
Retail / sales	\$62,391.88	11.82	42	11.80
Personal and other services	\$52,002.00	9.85	35	9.83
Travel and tours	\$14,820.00	2.81	10	2.81
Agriculture	\$53,624.00	10.16	36	10.11
Health, medical and community service	\$47,600.00	9.02	32	8.99
Education	\$14,985.00	2.84	10	2.81
Information technology	\$8,886.00	1.68	6	1.69
Transport	\$4,500.00	0.85	3	0.84
Wholesale trade	\$5,985.00	1.13	4	1.12
Electricity, gas and water supply	\$4,500.00	0.85	3	0.84
Forestry	\$2,985.00	0.57	2	0.56
Total	\$527,956.30	100.00	356	100.00

Business Advice and Support Topics Note: businesses can apply for support to address multiple topics	Number of approved businesses	15.78%
Advice, support, counselling, and the development of strategies to address financial/operational difficulties currently being experienced	158	6.89%
Development of risk management strategies	69	11.69%
Strategic analysis	117	12.29%
Advice and analysis regarding the management of cash flow, preparation of cash flow budgets and projections	123	9.89%
Profitability analysis	99	4.30%
Formulation of financial/operational strategies to assist the business to address the impact of a disruptive event such as a pandemic, fire or flood	43	6.99%
Development of business plans and governance frameworks	70	6.89%
Advice regarding the management of debts and liabilities	69	22.38%
Advice on pivoting, diversification, product innovation, marketing or online presence	224	2.90%
Other	29	15.78%

Jobs/Investment created:

N/A

Unit/Program Budget:

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$527,956	\$525,000	\$525,000	\$525,000	\$N/A	\$N/A

Also note that \$200,000 from 2024-25 financial year will be cash flowed forward to 2023-24 for the New Business Support Program.

Background

- Round 2 of the Small Business Advice and Guidance Program closed early on 17 May 2023. A total of \$527,926 was paid to businesses in this round of the program. This represents additional funding of \$2,926 above the original budget allocation of \$525,000.
- On 30 May 2021, an additional \$200,000 in funding to the Small Business Advice and Financial Guidance Program was announced, taking the program's total funding to \$1.2 million.
- An additional \$1 million was allocated in the 2021-22 budget, increasing this funding to \$2.2 million over four years.
- The development of the Small Business Advice and Financial Guidance Program was informed by consultation with the Tasmanian Chamber of Commerce and Industry, Tasmanian Small Business Council, and regional chambers of commerce.
- The program will be reviewed annually, prior to the opening of the subsequent round to ensure currency and provide the best support available to the small business sector.
- The Department of State Growth aims to have applications assessed and notified within a week of submission.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **BUSINESS INCUBATOR AND ACCELERATOR PILOT PROGRAM**

Date prepared: 27 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- As part of our ongoing support for small business, we made a commitment in the 2021 election to establish a \$2 million Business Incubator and Accelerator Pilot Program.
- This program supports Tasmanians to create sustainable start-ups and accelerated growth of existing businesses through private sector partnerships that provide specialist advice and support.
- Round one of the program closed on 18 February 2022, with two streams of funding available for either incubator or accelerator programs, and grants of up to \$250,000 offered for both streams.
- Four applications were successful under round one receiving just under \$1 million in total funding.
- Round two of the program closed on 10 February 2023. Four applications were successful receiving just over \$850,000 in total funding.
- The Business Incubator and Accelerator Pilot Program will aid the development of emerging and innovative business ideas across a variety of sectors.
- The program will build on and complement other government supports available to new and early-stage businesses, such as the New Business Support Pilot Program and the Digital Ready for Business program, which encourage start-ups and help small businesses to grow its ventures.

- This Pilot Program provides a wonderful opportunity to Tasmanians with innovative ideas and existing businesses looking to grow.

Unit/Program Budget:

2022-23** Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$95,220*	\$910,000	\$750,000	N/A	N/A	N/A

***A total of \$79,375 is scheduled to be disbursed before end of 2022-23, grant payments for round two will also be allocated this financial year.**

****\$60,000 was due to be paid in 2022-23 but is now scheduled to be paid in 2023-24**

Background

The successful applicants from round one of the Program are listed below:

Applicant	Program Title	Description	Grant awarded
Braddon Business Centre	Accelerator Program	<p>The Braddon Accelerator Program provides intensive assistance to businesses who have clear aspirations to grow, including through development and commercialisation of new products. Each participant is receiving in the vicinity of 95 hours of professional, targeted assistance.</p> <p>Commencing in June 2022, as at April 2023 through this program, six new positions have been created in the participating businesses, and the hours of existing employees has been expanded. All eight participants are expected to complete the course by June 2023.</p> <p>Participants:</p> <p>Wild Harvest (King Island) – general growth strategy</p> <p>Hodgman's Kitchens and Cabinets (Launceston)</p> <p>Air Bubble Australia Pty Ltd (Burnie) – product development strategy</p> <p>Brianna Bodyworks (Wivenhoe) – general growth strategy</p> <p>SED Manufacturing Services (Wynyard) – product development strategy</p>	\$159,650

		<p>Spreyton Fresh Pty Ltd (Spreyton) – general growth strategy</p> <p>Infuse Coffee Roasters (Burnie) – general growth strategy</p> <p>La Cantara (Smithton) – general growth strategy</p>	
Illuminate Education	Shift Lab Incubator	<p>Tasmania's first social impact incubator program is supporting the development of business ideas that have a clear benefit to the community, a business model that creates sustainable revenue, the opportunity for paid employment, and a clear opportunity to make Tasmanian an even better place to live and work.</p> <p>As at March 2023, four participants had completed the first round of the program, and a further five had been accepted to commence round two.</p>	\$122,320
Secret Lab	Narrative* Game Development (Incubator)	<p>The Narrative Game Development Incubator will increase the number of commercial Tasmanian narrative games and teams. The program provides teams with a 12-24 month period to gain the skills and resources required to build a commercially viable, published game. As at March 2023, four teams had been accepted into the program, with coursework due to commence in May 2023.</p>	\$200,000
SeedLab Tasmania	<p>Germinator (Incubator)</p> <p>Cultivate (Accelerator)</p>	<p>The Seedlab Tasmania programs target businesses who produce (or want to produce) consumer products (fresh agri-food, and value-added food and drinks, personal care, homeware, art,</p>	<p>\$500,000</p> <p>(\$250,000 per program)</p>

		<p>books and jewellery) for local, interstate and international markets.</p> <p>As at April 2023, 14 businesses had completed the Cultivate Accelerator Program and 31 businesses had completed the Germinator Incubator Program.</p> <p>A number of course participants are now trading at Salamanca Market on a rotating basis to test and promote their products including Barber's Bees and Berries, Vee's Lollies, Cub & Co Organics, and Truffles of Tasmania.</p>	
Total			\$981,970

* A narrative game is a game that tells a coherent story and draws the player into the story through elements such as the story plot, dialogue, and atmosphere.

Ongoing monitoring of each program is achieved through the reporting requirements established in the grant deeds with each provider and includes regular progress reporting against milestones identified within each project plan. At the conclusion of each program a final report is also required that includes evidence of achieving the agreed Key Performance Indicators.

Round two opened on 21 December 2022 and closed on 10 February 2023 with 13 applications received.

The successful applicants are listed below. The Department is currently negotiating the terms and conditions of the grant deeds with these recipients

Applicant	Project Title	Stream	Amount
Optimum Standard (Aus) Pty Ltd	The Agritourism Accelerator	Accelerator	\$245,075
illuminate Education Australia Pty Ltd	The Shift Lab (Social Enterprise)	Incubator	\$159,100
Braddon Business Centre Inc	Accelerator program (Generalist program)	Accelerator	\$220,500
Enterprize Tasmania Ltd	Emerging Technology Adoption Program	Accelerator	\$235,000*
TOTAL FUNDNG			\$859,675

Released under RTI

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **BUSINESS TASMANIA SERVICE**
Date prepared: 27 April 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- Small businesses employing 19 or less people make up 97 per cent of businesses in Tasmania and are a critical part of our economy.
- Business Tasmania is the Tasmanian Government's service for small businesses seeking information and support relating to all aspects of starting and running a business and is the central point of contact for small businesses seeking support when there is a disruption to industry or a natural disaster.
- Since 1 July 2022, 2,077 businesses have contacted the service via phone, and an additional 562 have sought information via email.
- For the same period last year Business Tasmania received 8,955 calls, significantly more due to a high number of COVID-19 related enquiries.
- The service is delivered via a range of traditional and online channels including phone, email, website and social media.
- Throughout 2022-23, the Department of State Growth has continued to invest in the Business Tasmania service ensuring our Tasmanian businesses receive the best customer service possible through the provision of timely information and support.
- In July 2022, the service implemented a new cloud-based system to answer phone enquiries. The system has an extensive range of functionality including the ability to survey customers about their experience.

- I am thrilled to announce of the customers who completed the survey, 98 per cent were highly satisfied with their experience.
- Business Tasmania has continued to provide tailored information and access to a range of services and programs to help businesses succeed, including a referral service to the Enterprise Centres Tasmania service, and providing information on other State, Local and Australian small business programs and services.
- Business Tasmania regularly assists small businesses at face-to-face events around the state, partnering with key stakeholders to reach a wide variety of business intenders and operators, and runs online events to provide more businesses with the opportunity to build their knowledge in a range of areas.
- Topical information for businesses is shared to more than 12,500 people who subscribe to Business Tasmania's weekly newsletter.
- To promote the service, each week Business Tasmania sends a letter to newly registered businesses in Tasmania to introduce the service and outline the available support.
- As the Minister for Small Business, I am proud of the many ways in which Business Tasmania continues to assist and engage with Tasmanian small businesses.

Key Statistics

- Since 1 July 2022, Business Tasmania has responded to:
 - 2 024 calls from businesses seeking assistance.
 - 562 email enquiries.
 - 35 social media enquiries.
- Since 1 July 2022, the top five enquiry reasons have related to:
 - Grants/Loans for existing businesses.
 - General business enquiries, mainly from existing businesses.
 - The Small Business Growth Strategy Grant Program.
 - The Small Business Advice and Financial Guidance Program.
 - The Revitalising Local Hospitality Venues Grant Program.
- Since 1 July 2022, 20 408 Tasmanian individuals have accessed www.business.tas.gov.au
- Since 1 July 2022, the five most popular pages on the Business Tasmania website have been:
 - Funding and Support.
 - Small Business Advice and Financial Guidance Program.

- Small Business Growth Strategy Grant Program.
- Starting a Business.
- Small Business Growth Strategy 2026.
- On average, Tasmanians spent 1 minute 29 seconds on the website and viewed 1.82 pages per session.

Unit/Program Budget:

*2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$77,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000

*Note, this figure is at 28 April 2023, it should be noted that the remainder will be spent by 30 June 2023.

Background

- Business Tasmania was established to provide an easy to use, customer-centric business service to support Tasmanians to start, run and grow a business.
- Business Tasmania is the first point of contact for all Department of State Growth programs and services. The team make it easier for the community to talk to government and access available support across all departments.
- When a crisis or natural disaster impacts the community, Business Tasmania is an integral service. This was demonstrated in the response to the JBS abattoir closure, 2019 bushfires, COVID-19 pandemic and the October 2022 severe weather event.

Released under RTI

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: ENERGY COSTS FOR SMALL BUSINESS
Date prepared: 12 May 2023
Output Group: 1 Industry and Business Growth
Output: 1.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government understands the continuing cost of living pressures on Tasmanian families and businesses and that is why the Treasurer announced \$45 million in bill relief for those on low and fixed incomes, and for small businesses on 10 May this year.
- The government is making targeted and considered investments to ease cost pressures and the National Energy Bill Relief Fund is a continuation of our strong track record in supporting those feeling pressure from rising electricity costs.
- From 1 July 2023, approximately 35,000 small businesses in Tasmania will be eligible for Energy Price Relief Rebates as part of a jointly funded scheme to reduce cost pressures with the Australian Government.
- The Energy Price Relief Rebates will provide responsible but meaningful energy bill relief and help ease the pressure on our small businesses. Eligible small businesses will receive a total bill credit of \$650 for 2023-24.
- This new initiative builds on existing electricity cost supports including the \$50 million Energy Saver Loan scheme available for households and small businesses, and the \$6 million Large Business Customer Electricity Support Scheme.
- The government will continue to monitor electricity prices and cost of living pressures and will act with targeted measures to support Tasmanians.

- There are a range of other related supports being provided to assist businesses with operational costs and management strategies.
- The Business Resource Energy Efficiency Program delivered through Renewables, Climate and Future Industries Tasmania (ReCFIT), helps businesses to reduce emissions intensity, adopt innovative practices, manage financial and climate risks, and strengthen economic and investment opportunities and the competitive advantage of Tasmanian small and medium sized enterprises in the transition to a low-carbon economy.
- We have also delivered Electric Vehicle ChargeSmart Grants to support the installation of fast and destination charging stations in regional areas and key tourism hotspots, with individual grants of up to \$2,500 provided to a number of small businesses including the Auldington Hotel in Launceston, Bridgecroft Accommodation in Richmond, Omaroo Cottage on Bruny Island, Zeehan Bush Camp in Zeehan, Driftwood Accommodation in Coles Bay, The Truffledore in Lower Barrington, and Tasman Ecovillage in Nubeena, to name a few.
- The Tasmanian Business Advice Service and the Business Advice and Financial Guidance Program provides access to free and independent business advice services, and we also fund mental health support through Lifeline's Minding Your Business Program.
- We are serious about supporting small businesses because they are the backbone of our economy.

Background

- In relation to regulated standing offer electricity tariffs for small business, Renewables, Climate and Future Industries Tasmania (ReCFIT) advise that:
 - Prices fell 1.4 per cent in nominal terms in July 2020 from that which applied in 2019-20.
 - Prices fell a further 11 per cent in July 2021.
 - Prices then increased from that level by 12 per cent for 2022-23.
 - In short, small business tariffs for this year are still lower than they were in 2019-20 in nominal terms, and much lower in real terms.
- The Australian Government is partnering with state and territory governments to provide up to \$3 billion in electricity bill relief for eligible households and small businesses through the Energy Bill Relief Fund. The states and territories will administer the rebates. The Australian Government is providing \$325 in bill relief to eligible small businesses in all jurisdictions, with the total amount of bill relief determined by state and territory co-contributions.
- The Tasmanian Government is matching the Australian Government contribution, taking the total bill relief for Tasmanian businesses to \$650 per customer. The governments of Queensland, New South Wales, Western Australia, South Australia, and the Northern Territory are also matching the Australian Government's contribution.
- To be eligible to receive the bill relief, Tasmanian small businesses must be on a separately metered business tariff with an electricity retailer and have an annual electricity consumption of less than 150MWh. If eligible, businesses do not need to do anything to receive the bill relief, it will be automatically applied on electricity bills from 1 July 2023.
- The Business Resource Energy Efficiency Program is free for eligible SMEs and supports growing a climate-ready economy through exploratory learning that showcases Circular Economy thinking, waste auditing, site visits, working groups, and mentored implementation to assist with resource efficiency initiatives.
- The Energy Saver Loan Scheme helps make small businesses and households more energy efficient by providing fee-free and interest-free loans of up to \$10,000 to fund the purchase price and installation of energy efficient products. The program runs through to October 2025.
- The Large Business Customer Electricity Support Scheme provides a rebate of up to \$20,000 for eligible contracted entities that consume more than 150Wh of electricity per annum to assist offset higher electricity prices. The program opened in March and closes in July 2023.
- The Electric Vehicle ChargeSmart Grants Program supports Tasmanian organisations to install electric vehicle charging stations. The second round closed in late 2021 with individual grants of up to \$50,000 provided towards the cost of purchasing and installing permanently-wired direct current electric vehicle fast chargers for public use. Grants of up to \$2,500 were provided towards the cost of purchasing and installing permanently-wired alternating current electric vehicle charging stations for public use. Installation of a total of 20 fast charging stations and 23 destination chargers across regional areas and tourism hotspots will be completed in 2023 totalling \$773,000.
- Free and independent business advice services have been provided by the Tasmanian Government to the small business sector for approximately 30 years through various iterations of the Enterprise Centres Tasmania (ECT) program. Following an independent review in 2022, a revised service, the Tasmanian Business Advice Service (TBAS), will commence from 1 July 2023 and ensure that businesses receive the support and advice they need in the current and future operating environment.
- The new distribution of regions and sub-regions for the TBAS as of 1 July 2023 is closely aligned to the Regional Jobs Hub Network to streamline and increase accessibility of government support to Tasmanian businesses.

- On 30 May 2021, an additional \$200,000 in funding to the COVID -19 Small Business Advice and Financial Guidance Program was announced, taking the program's total funding to \$1.2 million. An additional \$1 million was allocated in the 2021-22 budget, increasing this funding to \$2.2 million over four years.
- Round two of the Small Business Advice and Financial Guidance Program opened on 5 July 2022 and is due to close on 30 May 2023. To 26 April 2023, 389 applications had been received with 313 approved, totalling more than \$464,700 in grant funding.
- The original \$1 million in funding provided to the Small Business Mental Health Support Program enabled various organisations to deliver tailored programs including phase one of Lifeline Tasmania's Minding Your Business Program, and targeted support for industry peak body programs including the Seafood Industry Council Tasmania, the Tasmanian Hospitality Association, and the Tourism Industry Council Tasmania.
- Phase two of Lifeline's program is currently being delivered through a dedicated phone and online counselling service available to any business owner, operator or employee to assist to manage mental health and mentally healthy workplaces.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
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Subject: **ENTERPRISE CENTRES TASMANIA – TASMANIAN BUSINESS ADVICE SERVICE (TBAS)**

Date prepared: 27 April 2023

Output Group: 1 Industry and Business Growth

Output: 1.2 Industry and Business Development – Small Business

Speaking points

- Free and independent business advice services have been provided by the Tasmanian Government to the small business sector for approximately 30 years through various iterations of the Enterprise Centres Tasmania (ECT) program.
- Between 1 July 2022 and 26 April 2023, 852 people have accessed the ECT service (all business types). During the same period last year (1 July 2021 to 26 April 2022), 989 people accessed services and the decrease can be attributed to businesses getting back on track and having more confidence than they did 12 months ago.
- Given the significantly changed operating landscape for Tasmanian businesses resulting from recent global events, an independent review of the current ECT program was undertaken last year, with the objective of assessing the alignment of the service with current and projected needs of small businesses in Tasmania.
- The updated service model, to be implemented through a staged approach in the new financial year, takes into consideration all findings and recommendations of the review, as well as available budget.

- The updated service will be known as the Tasmanian Business Advice Service (TBAS) and will provide up to five hours of free and independent business advice per eligible business from qualified and experienced business advisors located in four regions (each separated as two sub-regions to ensure full state-wide coverage).
- The new distribution of regions and sub-regions is closely aligned to the Regional Jobs Hub Network to streamline and increase accessibility of Government support to Tasmanian businesses.
- Small businesses can access advice to assist with all aspects of managing a business, from planning, budgeting, and cash flow management through to marketing, diversification, and risk management strategies.
- Businesses will no longer be restricted to accessing the advisor located in its region – it can access the advisor of its choice through online service provision if that is their preference.
- Another significant change is that support for those intending to start a business, and new businesses that have been in operation for less than 12 months, will now be provided through a dedicated and standalone package – the New Business Support Pilot Program.
- Separating start-ups from existing businesses will better service all businesses, and importantly, ensure that intenders, new businesses, and existing businesses are provided with the best opportunity to access the support they need.
- I understand that the Department is undertaking a thorough assessment process to appoint the new business advisors. This is to ensure that the right people with the right qualifications are made available to our small businesses to ensure they get the advice and support they need, when they need it.
- I also understand that an independent probity advisor is overseeing the entire process.
- I would like to take this opportunity to thank the Department for the rigour they are applying to the assessment and selection process, so that we get the best outcomes possible for our small businesses.
- I look forward to congratulating the successful applicants once the assessment process is finalised.

- All small businesses across the state will have an equal opportunity to access support, with a primary focus on how best to service the needs of Tasmanian small businesses in the current and future operating environment.
- Through the consultation process as part of the review of the ECT program, businesses told us it wanted more choice in how it accessed advisory services, and we are delivering on that with the new Tasmanian Business Advice Service.

NB: A breakdown of the new funding model versus the current ECT program is provided as Appendix A.

Released under RTI

Key Statistics

- From 1 July 2021 to 30 June 2022, 1 143 people accessed the Tasmanian Government's current business advice service (all business types). Between 1 July 2022 and 26 April 2023, 852 people have accessed the ECT service.
- The fairest way to determine the fee-for-service component of the TBAS business advisor funding model was to look at the number of businesses located in each region/sub-region using 2021 ABS data and allocate funds accordingly so that all businesses have the same opportunity to access the services. In addition, businesses are not restricted to accessing the advisor located in its region – it can access any advisor through online service provision.
- The fee-for-service allocation of the advisor funding model allows for 793 existing businesses to access five hours of advice (using \$150 an hour as an average hourly rate) which could result in more than 250 additional businesses per year (based on 2021/22 ECT figures) being able to access the support of the on-ground advisors.
- The individual hourly rates paid to the TBAS business advisors will be determined by an independent assessor, based on an assessment of the skills, qualifications, regional knowledge, and experience of the nominated personnel, and is likely to range between \$120 and \$250 per hour (applicants were also asked to indicate their normal hourly rate in the application form, for consideration by the independent assessor).
- While the fee-for-service advisor funding allocations for each sub-region are capped, data analysis relating to the number of businesses accessing services in the previous financial year indicates that it would be very unlikely that all funds are exhausted across all regions within any given year. However, should the available funds be exhausted, a range of other supports will be available for any Tasmanian business to access, including through the Small Business Advice and Financial Guidance Program, and the new online business advice and support platform.

Jobs/Investment created:

N/A

Unit/Program Budget (for business advisor services):

2021-22 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$807 000	\$807 000	\$857 000*	\$857* 000	\$807 000	\$807 000

*An additional \$100,000 has been cash flowed against the two years from the previous COVID -19 Small Business Enterprise Centres Additional Support.

Background

- The current ECT Program is funded under the Department's consolidated funds at \$807 000 per year. An additional \$50 000 for the 2023-24 and 2024-25 financial years has been made available from the Small Business Unit's operating budget, taking the total funds available in both years to \$857 000 for the business advisors. Additional funding in out years may be required through the budget process.

- When being registered for the current ECT Program, clients are classified according to the relevant business stage as per the options provided below:
 - Intenders – thinking about starting a business.
 - New Starter – in the first 12 months of operation.
 - Operational – have been operating for longer than 12 months.
 - Closed – have closed the business.
- The 2022 review of the ECT Program was undertaken by 3P Advisory using a staged methodology that included a desktop review and analysis of services provided across other Australian jurisdictions, a comprehensive stakeholder engagement process including an online survey, interviews and workshops, detailed analysis of all information gathered, and reports produced with key findings and recommendations for consideration in developing the updated service model.
- Ongoing engagement with the current ECT providers has occurred since April 2022 in relation to the intent to review the program, the key findings and recommendations, and the updated service model.
- An independent probity advisor, [redacted] from O'Connor Marsden and Associates Pty Ltd (OCM), was appointed to oversee the grant program being undertaken to appoint the new TBAS business advisors, as well as the tender process being undertaken in relation to the development of the new online platform.
- Some of the key considerations when developing the updated business advice service model included:
 - The current and emerging needs of small businesses within the context of providing affordable, independent, quality professional and contemporary advice, and access to information.
 - Providing far greater choice to businesses – who and how they access services. It was important to ensure that face-to-face provision was still an option, but also recognise that more and more businesses are happy to work online given it saves them considerable time. And time was a key barrier that small businesses identified in accessing the current program.
 - Providing a contribution to providers towards overheads and travel costs associated with running the service that are part of a provider's broader business costs.
 - Increasing the support provided to Flinders and King Islands in line with the exacerbated challenges businesses in those locations face (e.g., freight, transport and logistics).
 - Moving to a more competitive model that ensures providers are paid (as an hourly rate) in line with their skills, qualifications and experience rather than a one size fits all approach.
 - Achieving greater value for money.
- In the new model, businesses aren't restricted to only being able to use the services of the advisor located in their region – they can speak to any advisor located in any region that they choose – and all businesses have an equal opportunity to access support.
- Key topics that advisors are currently discussing with Tasmanian small business owners and operators include:
 - General business advice and planning.
 - Loans and grant assistance.
 - HR advice/better workplaces.
 - Fair Work Act/wages advice.
 - Starting or expanding a business.
 - Financial management, including debt restructure.
 - Developing a marketing strategy.
 - Identifying new opportunities and networks.

- A table summarising the geographic spread of the services for the new TBAS versus the current ECT program is provided below.

Table 1: Geographic spread of services: TBAS versus ECT

ECT regional boundaries					
TBAS Region (4 in total)	TBAS Sub-region/ funding stream (8 in total)	LGAs included	Current ECT Region (7 in total)	LGAs included	Current ECT provider
North	A	George Town, West Tamar, Launceston, Northern Midlands, Meander Valley	North	George Town, West Tamar, Launceston, Northern Midlands, Meander Valley, Dorset, Flinders Island	The Project Lab
	B	Flinders Island			
West and North-West	C	Burnie, Devonport , Kentish , Latrobe , Central Coast , Waratah Wynyard, West Coast, Circular Head	West	Burnie, Waratah Wynyard, West Coast, Circular Head, King Island	Braddon Business Centre Inc
	D	King Island	Central North-West	Devonport, Kentish, Latrobe, Central Coast	Fusion Business Services (sub-contractor of Braddon Business Centre)
East	E	Break O'Day, Dorset	East	Break O'Day, Glamorgan Spring Bay (from Bicheno to Swansea)	Break O'Day Enterprise Centre
	F	Sorell, Tasman, Glamorgan Spring Bay , Clarence	South-East	Sorell, Tasman, Glamorgan Spring Bay (south of Swansea), Clarence	Business and Employment South-East Tasmania Inc
South	G	Huon Valley, Kingborough	South-West	Huon Valley, Kingborough	Kingborough Community Enterprise Centre
	H	Hobart, Glenorchy, Central Highlands, Derwent Valley, Southern Midlands, Brighton	Central South	Hobart, Glenorchy, Central Highlands, Derwent Valley, Southern Midlands, Brighton	In-tellinc

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: GENERAL SUPPORT TO TASMANIAN SMALL BUSINESSES

Date prepared: 26 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government recognises the importance of the small business sector to our economy and particularly for our regional and remote areas. Small businesses that employ 19 or less people make up 97 per cent of businesses in Tasmania.
- The strength of our economy is evidenced by CommSec's May 2023 State of the States Economic Performance Report, which ranks Tasmania as Australia's economic leader and best performing economy.
- In 2021-22, the number of Tasmanian small businesses in operation at the end of the financial year increased by 4.4 per cent to 41,334 businesses. The resilience of Tasmanian business is evident with Tasmania having the highest business survival rate in Australia. 68.4 per cent of the Tasmanian businesses operating in June 2018 were still operating in June 2022.
- Ensuring that our businesses can access the support that can help them to thrive is an important priority for the Tasmanian Government.
- The Business Tasmania service is the first contact point for information on the government support that is available for small businesses. In times of natural disasters or disruption to industry, Business Tasmania is a key source of information for affected businesses.

- The service is delivered via a range of channels, such as phone and email, and also through digital channels, such as a website and social media. Business Tasmania provides targeted information and access to a range of services and programs to help businesses succeed.
- The Tasmanian Government also funds the Enterprise Centres Tasmania (ECT) program, a state-wide network of independent business advisors providing free business advice and guidance. Through this service, small businesses can access up to five hours of free advice to assist with all aspects of managing a business, including planning, budgeting, marketing, diversification and risk management.
- To ensure this service is still meeting the needs of Tasmanian businesses, an independent review of the current program was undertaken during 2022. Following this review, an updated service model has been developed that incorporates the findings and recommendations of the review.
- The revised service model will be called the Tasmanian Business Advice Service (TBAS), will commence from 1 July 2023, and will continue to provide assistance and support to existing businesses.
- Tasmanian intenders and new small businesses will also be able to access advice and support through a separate and standalone package – the New Business Support Pilot Program, which will also commence from 1 July 2023.
- The Small Business Growth Strategy 2026 was launched on 26 February 2023, identifying the priorities to build the foundations of a thriving business sector. This strategy will be supported by a series of implementation plans that will outline the actions to deliver on the themes and objectives identified in the strategy. Some of these activities are already underway, such as the Small Business Growth Strategy Grant Program, which funds businesses to implement projects that support the Strategy's key themes.
- Further support has also been provided through round two of the Business Advice and Financial Guidance Program that provides grants of between \$750 and \$1,500 to access specialist financial services and business support to assist in recovery, transition, growth or application of other management strategies.

- We are also supporting the mental health of our small businesses with phase two of the Minding Your Business Program. Delivered by Lifeline Tasmania, this dedicated phone and online counselling service is available for any business owner, operator or employee to assist to manage mental health and mentally healthy workplaces.
- And finally, the government's Service Standards for Small Business project will investigate the option to develop a "business friendly charter". The charter would establish a commitment by government to be people and business friendly focused and driven by high customer service principles. I understand that the department has recently appointed a project manager and one of their first tasks will be to investigate the delivery of the charter.

Key Statistics

- At June 2022 there were 41,334 small businesses (with less than 20 employees) in operation in Tasmania, an increase of 4.4 per cent upon the previous year.
- Small businesses account for 97 per cent of all businesses in Tasmania:
 - 60 per cent of total small businesses were non-employing.
 - 40 per cent of total small businesses were employing between 1 and 19 staff.
- Business Tasmania's weekly newsletter provides information to more than 12,530 subscribers. Business Tasmania updates are also shared with 4,923 Facebook followers, and 2,557 Twitter followers.
- From 1 July 2021 to 30 June 2022, 1,143 people accessed the Enterprise Centres Tasmania program (all business types). Between 1 July 2022 and 21 April 2023, a further 824 people have accessed the available support (all business types).
- Phase one of the consultation process to engage with the business sector to develop the Small Business Growth Strategy 2026 was delivered in June and July 2022 and included:
 - 12 roundtable sessions, with 68 businesses and stakeholder groups represented.
 - 10 one-on-one sessions with businesses and key stakeholders.
 - 195 online surveys completed.
 - Seven email submissions received.
- A second phase of consultation was undertaken in October 2022 and provided the opportunity for businesses and interested parties to comment on the draft Strategy, with eight email submissions received.

Unit/Program Budget:**Business Tasmania service:**

*2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$77 000	\$125 000	\$125 000	\$125 000	\$125 000	\$125 000

**Note that there are contracts currently and all funding will be disbursed.*

Enterprise Centres Tasmania – Tasmanian Business Advice Service (TBAS):

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$807 000	\$807 000	\$857 000	\$857 000	\$807 000	\$807 000

The current ECT Program is funded under the Department's consolidated funds at \$807 000 per year. An additional \$50 000 for the 2023-24 and 2024-25 financial years has been made available from the Small Business Unit's operating budget, taking the total funds available in both years to \$857 000 for the business advisors. Additional funding in out years may be required through the budget process.

New Business Support Pilot Program (for elements 1 and 3: Advisory services, workshops, networking events and information sessions):

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$0	\$250 000	\$0	\$0	\$0

**It should be noted approval has been provided by the Minister to fund this program from the Business Advice and Financial Guidance Program 2024-25 budget allocation. The Department's finance team will cashflow this amount accordingly in the 2023-24 financial year. It is anticipated that demand for the BAFG Program will continue to decrease over time based on current projections, and the increase in services available through the new TBAS.*

In out years (from 2024-25 onwards), funding may need to be requested through the budget process.

The Small Business Growth Strategy 2026:

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$218 000	\$250 000	\$0	\$0	\$0	\$0

The Small Business Growth Strategy received \$250 000 per year for four years as per the 2019-20 Budget. This funding concludes in the 2022-23 financial year and is in addition to funding for the Tasmanian Business Advice Service (formerly the ECT Program). Additional funding for the implementation of the Strategy from 2023-24 will be sought through the budget process.

Business Advice and Financial Guidance Program (round two):

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
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\$464 703	\$525 000	\$525 000	\$525 000	\$0	\$0
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On 30 May 2021, an additional \$200 000 in funding to the Small Business Advice and Financial Guidance Program was announced, taking the program's total funding to \$1.2 million.

An additional \$1 million was allocated in the 2021-22 budget, increasing this funding to \$2.2 million over four years.

Mental Health Support for Small Business (Minding Your Business Program):

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$123 000	\$125 000	\$125 000	\$0	\$0	\$0

The original \$1 million in funding provided to the Small Business Mental Health Support Program enabled various organisations to deliver tailored programs, including phase one of Lifeline Tasmania's Minding Your Business Program, and targeted support for industry peak body programs including the Seafood Industry Council Tasmania, the Tasmanian Hospitality Association, and the Tourism Industry Council Tasmania.

The 2021 election saw a further \$400 000 committed to complement the previous \$1 million provided to the Government's Small Business Mental Health Support Program.

Service Standards for Small Business Project:

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$50 000	\$0	\$0	\$0	\$0

The Project Manager responsible for delivering this project has been appointed but has not yet commenced. The project funds will need to be cash-flowed forward to the 2023-24 financial year to cover salary expenses.

Background

- Business Tasmania was established to provide an easy to use, customer-centric business service to support Tasmanians to start, run and grow a business.
- Business Tasmania is the first point of contact for all Department of State Growth programs and services. When a crisis or natural disaster impacts the community Business Tasmania is an integral service. This was demonstrated in the response to the JBS abattoir closure, 2019 bushfires, COVID-19 pandemic and the October 2022 severe weather event.
- The Small Business Growth Strategy received \$250,000 per year for four years as per the 2019-20 Budget. This funding concludes in the 2022-23 financial year and is in addition to funding for the Tasmanian Business Advice Service (formerly the ECT Program). Additional funding for the implementation of the Strategy from 2023-24 will be sought through the budget process.
- Phase one of the consultation process to develop the Strategy was delivered in June and July 2022. The input from the consultation process was collated under four themes:
 - People and connections.
 - Place.
 - Enabling business.
 - Technology.
- The themes identify the areas of focus for the strategy, and each theme features several objectives that guide the actions that will be set out in a series of implementation plans. The first implementation plan will cover activities to be undertaken between January 2023 and June 2024 and was released in early May 2023.
- Free and independent business advice services have been provided by the Tasmanian Government to the small business sector for approximately 30 years through various iterations of the ECT program. The new distribution of regions and sub-regions for the TBAS as of 1 July 2023 is closely aligned to the Regional Jobs Hub Network to streamline and increase accessibility of Government support to Tasmanian businesses.
- On 30 May 2021, an additional \$200,000 in funding to the COVID -19 Small Business Advice and Financial Guidance Program was announced, taking the program's total funding to \$1.2 million. An additional \$1 million was allocated in the 2021-22 budget, increasing this funding to \$2.2 million over four years.
- Round two of the Small Business Advice and Financial Guidance Program opened on 5 July 2022 and is due to close on 30 May 2023. To 26 April 2023, 389 applications have been received with 313 approved, totalling more than \$464,700 in grant funding.
- The original \$1 million in funding provided to the Small Business Mental Health Support Program enabled various organisations to deliver tailored programs including phase one of Lifeline Tasmania's Minding Your Business Program, and targeted support for industry peak body programs including the Seafood Industry Council Tasmania, the Tasmanian Hospitality Association, and the Tourism Industry Council Tasmania.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **INSTANT ASSET WRITE-OFF (EXPIRES 30 JUNE 2023)**

Date prepared: 27 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Australian Government's Instant Asset Write-Off allows eligible businesses to claim a deduction for the business portion of the cost of an asset in the year it is first used or installed ready for use.
- There is a threshold for the amount a business can claim under the Instant Asset Write-Off. The threshold is dependent on when the asset was purchased, first used or installed ready for use.
- The Instant asset write-off can be used for:
 - multiple assets if the cost of each individual asset is less than the relevant threshold
 - new and second-hand assets.
- The Australian Government introduced temporary full expensing as part of its COVID-19 economic rescue package in October 2020.
- Temporary full expensing allows eligible businesses to claim a full and immediate deduction for the cost of eligible depreciating assets in the year the asset is first used or installed ready for use, for a taxable purpose, prior to 30 June 2023.
- A threshold does not apply to temporary full expensing provisions as it does for the Instant Asset Write-Off.

- The temporary full expensing provisions are scheduled to end on 30 June 2023.
- Businesses are encouraged to talk to their accountant to discuss how it can use the provisions before this date.
- From 1 July 2023, the Instant Asset Write-Off will remain without the temporary full expensing provisions. This means that depreciating assets will need to be claimed as a deduction over the life of the asset.
- Small businesses will need to check their eligibility with the Australian Taxation Office and apply the correct threshold amount depending on when the asset was purchased, first used or installed ready for use.

Released under RSI

Background

Instant asset write-off thresholds

Instant asset write-off thresholds for small businesses have changed over recent years, as outlined on the Australian Taxation Office website:

Eligible businesses	Date range for when asset first used or installed ready for use	Threshold
Less than \$10 million aggregated turnover	12 March 2020 to 30 June 2021, providing the asset was purchased on or after 7:30pm (AEST) on 12 May 2015 and by 31 December 2020	\$150,000
Less than \$10 million aggregated turnover	7:30pm (AEDT) on 2 April 2019 to 11 March 2020	\$30,000
Less than \$10 million aggregated turnover	29 January 2019 to prior to 7:30pm (AEDT) on 2 April 2019	\$25,000
Less than \$10 million aggregated turnover	1 July 2016 to 28 January 2019	\$20,000
Less than \$2 million aggregated turnover	7:30pm (AEST) on 12 May 2015 to 30 June 2016	\$20,000
Less than \$2 million aggregated turnover	1 January 2014 to prior to 7:30pm (AEST) 12 May 2015	\$1,000
Less than \$2 million aggregated turnover	1 July 2012 to 31 December 2013	\$6,500
Less than \$2 million aggregated turnover	1 July 2011 to 30 June 2012	\$1,000

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **MENTAL HEALTH SUPPORT FOR SMALL BUSINESSES**

Date prepared: 27 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- The current operating environment for small business owners and employees presents many challenges, and the Tasmanian Government recognises that ongoing assistance is required to support mental health.
- To date, the Small Business Mental Health Support Program has provided funding to a range of key organisations to support small businesses to maintain mentally healthy workplaces.
- Lifeline Tasmania has been engaged to deliver phase two of the Minding Your Business Mental Health Program, with a dedicated small business telephone and online counselling service available to business owners, operators and employees.
- This is a change in direction from Phase one which provided a range of courses for business owners, operators and employees to undertake, however a review of the program and ongoing dialogue with Lifeline Tasmania indicated that a different approach was needed.
- The new phase of Lifeline Tasmania's Minding Your Business Program will continue to provide dedicated and necessary support to small businesses and is available Monday to Friday between 8am and 8pm.
- As part of Phase two, Lifeline Tasmania is also strengthening relationships with key organisations including industry peak bodies and regional chambers, to encourage take up of the Minding Your Business Program, and to promote the services available.

- Other services provided by Lifeline Tasmania include 24/7 telephone crisis support via a dedicated 13 11 14 crisis phone line, and various suicide prevention and support mechanisms.
- Information about all services available to small businesses to manage mentally healthy workplaces is available on the Business Tasmania website, including Beyond Blue's New Access for Small Business Owners Program, and the federally funded Ahead for Business Program.

Jobs/Investment created:

N/A

Unit/Program Budget (Funding to Lifeline Tasmania Minding Your Business Program):

2021-22 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$123,000	\$125,000	\$125,000	\$N/A	\$N/A	\$N/A

Background

- The original \$1 million in funding provided to the Small Business Mental Health Support Program enabled various organisations to deliver tailored programs, including phase one of Lifeline Tasmania's Minding Your Business Program, and targeted support for industry peak body programs including the Seafood Industry Council Tasmania, the Tasmanian Hospitality Association, and the Tourism Industry Council Tasmania.
- The 2021 election saw a further \$400,000 committed to complement the previous \$1 million provided to the government's Small Business Mental Health Support Program.
- In addition, funding was provided to the Mental Health Council of Tasmania to raise awareness of the support and resources available to small business owners.
- Phase one of Lifeline's Minding Your Business Program included the four distinct training courses of Mental Health First Aid, Accidental Counsellor, Crisis Communication Skills, and Mental Health Boost, all of which were delivered state-wide over an 18 month period.
 - A total of 658.5 placements were delivered, which was less than the target of 1,000 placements.
 - In general terms, stigma, time and associated costs appear to be common barriers to the uptake of available services.
 - A review of Phase one of the program as well as ongoing dialogue with Lifeline led to a change in direction for Phase two.
- Phase two of Lifeline's Minding Your Business Program does not include delivering courses and instead allows Lifeline to focus on its proven strength of one-on-one counselling and information service provision. Phase two has now commenced with a dedicated phone counselling service for businesses up and running, and engagement activities with key organisations taking place through to at least the end of this year.
- The engagement activities will increase the profile of the services available and strengthen relationships between Lifeline and key organisations including peak bodies and regional chambers.
- Future programs will be developed based on an evaluation of the success of the current initiatives.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **NEW BUSINESS SUPPORT PILOT PROGRAM**
Date prepared: 27 April 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- Free and independent business advice services have been provided by the Tasmanian Government to the small business sector for approximately 30 years through various iterations of the Enterprise Centres Tasmania (ECT) program.
- Given the significantly changed operating landscape for Tasmanian businesses resulting from recent global events, an independent review of the current ECT program was undertaken last year, with the objective of assessing the alignment of the service with current and projected needs of small businesses in Tasmania.
- A significant change is that support for those intending to start a business, and new businesses that have been in operation for less than 12 months, will now be provided through a dedicated and standalone package – the New Business Support Pilot Program.
- This is in recognition that to innovate and continue to build the Tasmanian brand, people with business ideas need to be supported appropriately.
- The New Business Support Pilot Program will include the following elements:

1. Up to two hours of free and independent business advice from qualified and experienced advisors located in four regions across the state (which provides for state-wide coverage). The regional boundaries are closely aligned to the Regional Jobs Hub Network to streamline and increase accessibility of Government support.
 2. A range of tools, templates, and guides to assist in starting a business in Tasmania, including a new Unlocking Business Opportunities tool that enables feasibility testing of business concepts.
 3. Development and delivery of dedicated face-to-face and/or online workshops, networking events and information sessions.
 4. The opportunity to participate in one of the programs funded under the Tasmanian Government's \$2 million Business Incubator and Accelerator Pilot Program, covering a range of sectors and industries, with numerous intakes occurring over the next 12 months.
 5. A range of online resources including a new contemporary online business advice platform that will enable all Tasmanian businesses to access up-to-date, self-guided, ongoing business planning and support, 24 hours a day, seven days a week.
- Separating start-ups from existing businesses will better service all businesses, and importantly, ensure that intenders, new businesses, and existing businesses are provided with the best opportunity to access the support they need.
 - It is a fact that most intenders never go on to establish a viable business. Taking a different approach to servicing this sector means that the people who are passionate, who want to succeed, and who are serious about their business idea will be provided with the information and resources they need to take the first steps.
 - This new package of support will also provide greater value for money and a higher level of service for this important sector than currently exists under the ECT Program, which is a great result.
 - The New Business Support Pilot Program will commence in the new financial year and will be closely monitored during its initial phase to ensure new businesses are getting the support they need.

- I understand that the Department is undertaking a thorough assessment process to appoint the new business advisors. This is to ensure that the right people with the right qualifications are made available to our intenders and new small businesses so they get the advice and support they need to begin and progress their business ventures.
- I also understand that an independent probity advisor is overseeing the entire process.
- I would like to take this opportunity to thank the Department for the rigour they are applying to the assessment and selection process, so that we get the best outcomes possible.
- I look forward to congratulating the successful applicants once the assessment process is finalised.

NB: A breakdown of the New Business Support Pilot Program versus the current ECT program is provided as Appendix A.

Key Statistics

- Between 1 July 2022 and 26 April 2023, 852 people have accessed the ECT service (all business types). Of this number 427 were Intenders and New starters.
- In the 2021-22 financial year of the total 1 143 clients that accessed the ECT Program, a total of 626 were Intenders and New Starters.
 - The total hours available for these clients was 1 252 hours (up to two hours each).
 - The actual hours used was just over 1 163, which is an average of 1.86 hours per client.
- Based on these figures and using an average hourly rate of \$150 per hour, providing \$200,000 for the provision of business advisors will enable a total of 666 Intenders and New Starters to access services, which is an increase of 40 clients on the current ECT Program.

Jobs/Investment created:

N/A

Unit/Program Budget (for elements 1 and 3 above: Advisory services, workshops, networking events and information sessions):

2022-23 Actual	2022-23 Budget	2023-24*	2024-25	2025-26	2026-27
\$0	\$0	\$250 000	\$0	\$0	\$0

*It should be noted approval has been provided by the Minister to fund this program from the Business Advice and Financial Guidance Program 2024-25 budget allocation. The Department's finance team will cashflow this amount accordingly in the 2023-24 financial year.

Released under RTI

Background

- Funding to support the delivery of the New Business Support Pilot Program (business advisors, workshops, networking events, and information sessions) will be reallocated from the 2024-25 allocation for the Small Business Advice and Financial Guidance (BAFG) Program. It is anticipated that demand for the BAFG Program will continue to decrease over time based on current projections, and the increase in services available through the new TBAS.
- In out years (from 2024-25 onwards), funding may need to be requested through the budget process.
- When being registered for the current ECT Program, clients are classified according to the relevant business stage as per the options provided below:
 - Intenders – thinking about starting a business.
 - New Starter – in the first 12 months of operation.
 - Operational – have been operating for longer than 12 months.
 - Closed – have closed the business.
- The 2022 review of the ECT Program was undertaken by 3P Advisory using a staged methodology that included a desktop review and analysis of services provided across other Australian jurisdictions, a comprehensive stakeholder engagement process including an online survey, interviews and workshops, detailed analysis of all information gathered, and reports produced with key findings and recommendations for consideration in developing the updated service model.
- A grant program to appoint the required business advisors closed on 12 May 2023, with services to commence in the new financial year. A fee-for-service funding model will be adopted, with a flat rate of \$150 per hour available to a capped allocation of \$50,000 per provider. The funding is intended to provide an additional income stream to existing business advisors rather than support the creation of new or standalone businesses to deliver services. As such, no provision for base payments to supplement the fee-for-service funding is provided.

Appendix A: New Business Support Pilot Program compared to the current ECT Program

No.	Program element	Proposed NBS Pilot Program	Current ECT Program
1	Business advisors (based on ECT Program 2021-22 figures)	Up to two hours of free advice per client from a pool of qualified advisors, with provision to service a minimum of 666 clients (utilising the full two hours available) per year	Up to two hours of free advice per client from a pool of qualified advisors, with provision to service a minimum of 626 clients (utilising the full two hours available) per year
2	Tools, templates, guides	An expanded range of online tools, templates and how to guides that will include: <ul style="list-style-type: none"> • The Unlocking Business Opportunities tool that enables feasibility testing of business concepts • The updated Starting a Small Business in Tasmania Guide • The online Business Continuity Emergency Planning Tool 	A range of online tools, templates and how to guides
3	Workshops, networking opportunities, and information sessions	A confirmed series of quarterly face-to-face workshops and networking opportunities held in each region (alternating between sub-regions), as well as a confirmed series of online information sessions	A largely ad-hoc series of online and face-to-face workshops, networking opportunities and information sessions held throughout each financial year
4	Incubator and Accelerator Programs	The opportunity to participate in one of the funded programs from two rounds of the \$2 million Business Incubator and Accelerator Pilot Program	The opportunity to participate in one of the funded programs from round one of the Business Incubator and Accelerator Pilot Program
5	Online resources	Access to a new online business advice platform that will enable access to current and self-guided advice, tools and information 24/7, as well as other online resources including the Digital Ready for Business Program	Access to the Business Tasmania website and Digital Ready for Business Program

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **PENALTY RATES**
Date prepared: 27 April 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government is committed to delivering a strong economy and making Tasmania a great place to live and work.
- Public holidays in Tasmania are days of special significance and are celebrated throughout the state.
- In Australia, employees may be entitled to a penalty rate when working weekends, public holidays, overtime, late night or early morning shifts, however I would like to note that the rate paid depends on the award that applies to the position.
- Where an enterprise agreement or other registered agreement exists, penalty rates will be outlined in the agreement.
- In Tasmania there are 11 statutory holidays per year, including one Show Day and either Regatta Day in the south or Recreation Day in the north. These are outlined in the *Statutory Holidays Act 2000*.
- Public holidays for Show Days and Agfest directly apply to specific municipalities, so there may be some Tasmanians who are not eligible to take a public holiday for these events.
- Easter Sunday in Tasmania is not one of the 11 statutory holidays. In all other jurisdictions except South Australia, Easter Sunday is observed as a public holiday.

- The number of statutory holidays between states and territories differs, and ranges from 10 to 14.
- Of the 11 holidays in Tasmania, nine are national holidays and are observed state-wide.
- The benefits and costs arising from statutory holidays vary across the community and there is always a need to maintain an appropriate balance.
- The Tasmanian Small Business Council and the Tasmanian Chamber of Commerce and Industry has raised concerns about the financial impact on businesses if an additional public holiday, such as Easter Sunday, was declared.

Key Statistics:**N/A****Jobs/Investment created:****N/A**

Background

- The Fair Work Ombudsman's website has pay guides that outline minimum pay rates for full-time, part-time and casual employees in an award. It also includes all the monetary allowances and the most frequently used penalty rates for each classification.

Awards

- Awards are legal documents that outline the minimum pay rates and conditions of employment, including penalty rate entitlements.
- Awards apply to employers and employees depending on the industry they work in, and the type of job worked.
- An employer can be covered by more than one award depending on the work their employees undertake.
- Awards do not apply when an employer has an enterprise agreement or registered agreement in place.

Working on Public Holidays

- Awards, enterprise agreements and other registered agreements can provide entitlements for working on public holidays, including:
 - Extra pay (for example public holiday rates).
 - An extra day off or extra annual leave.
 - Minimum shift lengths on public holidays.
 - Agreeing to substitute a public holiday for another day.

The Statutory Holidays Act 2000

- *The Statutory Holidays Act 2000* (the Act) specifies which days are to be public holidays in Tasmania, including national holidays, government public holidays, and local statutory holidays.
- Local statutory holidays are provided in Schedule I, Part I of the Act. Local statutory holidays are public holidays specific to Tasmania that generally relate to particular events or occasions.
- The process for changing local statutory holidays is set out in section 5 of the Act. The Minister for Workplace Safety and Consumer Affairs may amend Schedule I, Part I of the Act by public notice following consultation with Unions Tasmania, the Tasmanian Chamber of Commerce and Industry, and any employer and other organisation considered appropriate. A draft of the public notice must be approved by both Houses of Parliament prior to publication in the Tasmanian Government Gazette and, following publication, the final notice must be tabled in each House.

Statutory Holidays in other jurisdictions

- Arrangements for public and local statutory holidays are different in each Australian state and territory.
- The following national holidays are observed in every jurisdiction:
 - New Year's Day
 - Australia Day

- Good Friday
- Easter Monday
- Anzac Day
- Birthday of the Sovereign (known as the King's Birthday)
- Labour Day, 8-hour Day (or equivalent)
- Christmas Day
- Boxing Day
- In addition to these, each jurisdiction observes a small number of state specific holidays and in some cases regional (show days) or industry specific (bank holidays) public holidays.
- All jurisdictions, except Western Australia and Tasmania, recognise Easter Saturday as a public holiday.
- All jurisdictions, except South Australia and Tasmania, recognise Easter Sunday as a public holiday.
- The Northern Territory and South Australia both recognise Christmas Eve and New Year's Eve as public holidays.
- Queensland also observes a public holiday for Christmas Eve.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **SMALL BUSINESS GROWTH STRATEGY 2026**

Date prepared: 26 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- I'm proud to have launched the Small Business Growth Strategy 2026 on 26 February 2023. This launch followed an extensive consultation process that occurred throughout 2022 and endorsement of the strategy by cabinet in December last year.
- The new strategy identifies the priorities to build the foundation for a thriving business sector and was developed in partnership with the Tasmanian Chamber of Commerce and Industry and the Tasmanian Small Business Council.
- The strategy centres around four key themes of people and connections, place, enabling business and technology. Each theme has several objectives that will guide the activities set out in a series of implementation plans that follow the strategy.
- The first of these implementation plans was released in early May this year and sets out the actions that we are taking towards the strategy's objectives for the period from January 2023 – June 2024. Further implementation plans will be developed to cover the rest of the period out to 2026, ensuring that we can respond to changes in the business environment over time.

- The governance processes established to develop the Small Business Growth Strategy will be extended to oversee the delivery of the implementation plans. A meeting schedule with the Working Group that includes the Tasmanian Chamber of Commerce and Industry, and the Tasmanian Small Business Council has been developed, with six-monthly reviews of the implementation plans to take place.
- A key driver of actions towards the objectives set out in the strategy is the Small Business Growth Strategy Grant Program. This program provides grants of between \$10,000 and \$50,000 to directly fund projects that support small businesses to scale up, to increase workplace capability or for research projects.
- Further support for our business community is also occurring through the implementation of an updated business advice service model, the Tasmanian Business Advice Service that will commence from 1 July 2023.
- The implementation of this new service follows a comprehensive review of the Enterprise Centres Tasmania (ECT) Program in 2022. The service includes the development of a new and contemporary online business advice platform to enable all Tasmanian businesses (new, intending or existing) to access up-to-date, self-guided, ongoing business planning and support, 24 hours a day, seven days a week.
- Tasmanian intenders and new small businesses can also access the advice and support they need through a separate package – the New Business Support Pilot Program, that will commence from 1 July 2023.

Key Statistics

- 211 applications were received from businesses across Tasmania for the Small Business Growth Strategy Grant Program before applications closed on 4 April 2023. Note that at the time this brief was prepared outcomes of the grant were not known.

Jobs/Investment created:

N/A

Unit/Program Budget:

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$250,000	\$250,000	\$0	\$0	\$0	\$0

Background

- The Small Business Growth Strategy received \$250,000 per year for four years as per the 2019-20 Budget. This funding concludes in the 2022-23 financial year and is in addition to funding for the Tasmanian Business Advice Service (formerly the ECT Program). Additional funding for the implementation of the strategy from 2023-24 will be sought through the budget process.
- Business sector engagement during phase one of the consultation process to develop the strategy was delivered in June and July 2022 and included:
 - 12 roundtable sessions, with 68 businesses and stakeholder groups represented.
 - 10 one-on-one sessions with businesses and key stakeholders.
 - 195 online surveys completed.
 - Seven email submissions received.
- A large number of government departments and agencies that were also involved in the consultation period given their touchpoints with the business community, including all units within the Department of State Growth (Trade, Arts Tas, Screen Tas, Antarctic Tas, Jobs Tas, Commercial and Agribusiness Finance, Digital Future, Science and Technology, Hobart City Deal), and the Office of the Coordinator General (e.g., Red Tape Reduction Coordinator and Small Business Advocate, Launceston City Deal).
- A second phase of consultation was undertaken in October 2022 and provided the opportunity for businesses and interested parties to comment on the draft strategy, with eight email submissions received.
- The input from the consultation process was collated under four themes:
 - People and connections
 - Place
 - Enabling business
 - Technology
- The themes identify the areas of focus for the strategy, and a series of objectives that address each theme guide the development of a series of implementation plans.
- The first implementation plan was released in early May 2023 and covers activities to be undertaken between January 2023 and June 2024. The Small Business Growth Strategy Grant Program and the implementation of the Tasmanian Business Advice Service being two of the key initiatives of this implementation plan.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **SMALL BUSINESS GROWTH STRATEGY GRANT PROGRAM**
Date prepared: 29 May 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government recognises the significant role of small business in driving the Tasmanian economy.
- The Small Business Growth Strategy 2026 was launched on 26 February 2023.
- A key project to deliver on the strategy's objectives is the Small Business Growth Strategy Grant Program, which will fund initiatives that support the strategy's key themes.
- The aim of the grant program is to provide eligible businesses and organisations funding to deliver projects that align with the Growth Strategy under one of three streams:
 - Stream 1: Research and feasibility studies.
 - Stream 2: Workplace capability.
 - Stream 3: Scaling up/business growth.
- The streams of funding were developed as a result of the feedback Tasmanian businesses provided us during the Small Business Growth Strategy consultation process.
- We allocated \$1 million in funding to the grant program, with grants of between \$10,000 and \$50,000 available.

- Both individual businesses and membership organisations including chambers of commerce, peak industry bodies and regional tourism organisations were able to apply.
- We opened the grant program on 7 March 2023, and it closed on 4 April 2023 with 211 applications received with in excess of \$8 million in grant funding requested.
- A total of 28 applications were successful and awarded just over \$1 million in grant funding. 20 were business applications and eight were from membership organisations.
- All applicants were notified in early June 2023.
- A list of successful applicants is available on the Business Tasmania website.

Released under RTI

Key Statistics

211 applications were received from businesses and membership organisations across Tasmania.

A further 108 businesses started an application but did not submit their application prior to the program closing on 4 April 2023.

28 applications were approved as successful, this included 20 business applicants and 8 membership organisation.

The following tables include:

- the successful business and membership organisation applicants,
- successful applicants by Local Government Area,
- successful applicants aligned to the Small Business Growth Strategy 2026, and
- successful applicants by Industry Sector.

Successful Business Applicants

Business Name	LGA	Small business growth strategy theme	Project description	Approved grant amount
Empire Hotel - Queenstown	West Coast	Scaling up / business growth	To upgrade the hotel to cater for the mountain bike sector.	\$50,000
Xtreme Marine Services	Sorell	Scaling up / business growth	To upscale premises to enable business growth in the maritime manufacturing.	\$45,000
Hotel Bruny	Kingborough	Scaling up / business growth	To assist in installation of commercial grade solar panels and energy efficient walk-in external cool room.	\$41,864
Hobart Milk Factory Pty Ltd	Glenorchy	Scaling up / business growth	To create a digital platform to support business growth and deliver responsive, convenient, and reliable services to customers and suppliers.	\$22,000
Marinova Pty Ltd	Clarence	Scaling up / business growth	The acquisition and implementation of scaling up technology, improve supply chain security and enhance advanced manufacturing operations.	\$30,756
Seafood and Maritime Training	Hobart	Workplace capability	The acquisition of equipment to deliver training to the maritime community and grow student access.	\$50,000

Business Name	LGA	Small business growth strategy theme	Project description	Approved grant amount
T.T.Innes & C.L.Weare (trading as Start Smart Tasmania)	Launceston	Scaling up / business growth	To develop an app that enables and deliver phonological awareness intervention for business growth.	\$10,119
Mr Brown & Towns Mushroom Garden	Launceston	Scaling up / business growth	To upscale production rooms, increasing business growth through updated incubation technology.	\$30,000
East Coast Village Providore	Break O'Day	Scaling up / business growth	To upscale equipment, facilities, storage resulting in business growth.	\$50,000
Ewenique Enterprises Pty Ltd T/A Hartshorn Distillery	Kingborough	Scaling up / business growth	To research, develop and market three new products.	\$37,600
Ag Logic Pty Ltd	Launceston	Scaling up / business growth	To scale up irrigation monitoring systems to optimise irrigation and monitoring the plant growing environment.	\$50,000
Naked Carrot	Hobart	Scaling up / business growth	To upscale current facilities to automated growing facilities increasing productivity.	\$30,000
Rhuby Innovations Pty Ltd	Latrobe	Scaling up / business growth	To acquire equipment and adopt new technology to streamline production	\$30,000
Taz Drone Solutions	Kentish	Scaling up / business growth	To deliver a three-year Business Growth Strategy and Commercialisation and Market Strategy, focussed on productive markets and customers and develop the organisational capability	\$50,000
McElligotts (TAS) Pty Ltd	Northern Midlands	Scaling up / business growth	To scale up equipment in existing facility, enabling larger upcoming infrastructure to be completed.	\$50,000

Business Name	LGA	Small business growth strategy theme	Project description	Approved grant amount
Odyssey Geophysics	Derwent Valley	Workplace capability	To renovate a building area into a dedicated modern manufacturing facility and collaboration space that will provide the business with a state-of-the-art facility for design, prototype, and manufacture products.	\$50,000
Sawyers Bay Shacks Pty Ltd	Flinders	Scaling up / business growth	To improve mobility impaired access by modify flooring and ramp access, purchase and storage of new mobility equipment.	\$30,000
Hemp Harvests Pty Ltd	Meander Valley	Scaling up / business growth	To implement upscaling infrastructure to make by-products marketable to be sold globally.	\$30,000
Coaldale Walnuts	Clarence	Scaling up / business growth	To increase production capacity to fill unmet market demand through the purchase of new equipment and implementation of new processes.	\$17,674
Elly's Gourmet Confectionery Pty Ltd	Clarence	Workplace capability	To engage digital technologies and marketing consultants to create new processes, approaches and opportunities in the on-line arena.	\$50,000
Total business funding				\$755,013

Successful membership organisations applicants

Organisation Name	LGA	Small business growth strategy theme	Project description	Approved grant amount
North East Tasmania Chamber of Commerce Inc	Dorset	Workplace capability	To develop a new platform for leadership, connection and education.	\$15,000
King Island Regional Development Organisation	King Island	Workplace capability	To provide strategic planning for targeted assistance of small business on King Island.	\$24,966
East Coast Tasmania Tourism	Break O'Day	Scaling up / business growth	To design a tourism decision-making framework for investors, Councils and PWS that embraces the principles of positive impact tourism.	\$50,000
Burnie Chamber of Commerce and Industry Inc T/A Business North West	Burnie	Research and feasibility studies	To develop a feasibility study, exploring how Virtual Reality might be best used to meet the needs of workers and trainees within specific sectors and skills.	\$50,000
Wine Industry Tasmania Ltd	Hobart	Scaling up / business growth	To deliver three digital marketing campaigns to support the wine sector to grow.	\$47,500
Devonport Chamber of Commerce and Industry	Devonport	Scaling up / business growth	To develop a strategic plan for improving and growing business in the Northwest of Tasmania centred around the Devonport Region.	\$15,000
Tasmanian Chamber of Commerce and Industry	Hobart	Research and feasibility studies	To undertake a series of meetings and event with businesses to understanding business needs and tailored recommendations for small business on Flinders Island.	\$12,000
Tasmanian Small Business Council Inc	Hobart	Research and feasibility studies	To undertake research on Tasmanian energy costs and impacts on Small Business	\$47,500
Total organisation funding				\$261,966

Successful business applicants by Local Government Area (LGA)

LGA	Number of successful business applicants
Break O'Day	1
Clarence	3
Derwent Valley	1
Flinders	1
Glenorchy	1
Hobart	2
Kentish	1
Kingborough	2
Latrobe	1
Launceston	3
Meander Valley	1
Northern Midlands	1
Sorell	1
West Coast	1
Total	20

Successful membership organisation applicants by Local Government Area (LGA)

LGA	Number of successful organisation applicants
Break O'Day	1
Burnie	1
Devonport	1
Dorset	1
Hobart	3
King Island	1
Total	8

All successful applicants by Local Government Area (LGA)

LGA	Number of successful applicants
Break O'Day	2
Burnie	1
Clarence	3
Derwent Valley	1
Devonport	1
Dorset	1
Flinders	1
Glenorchy	1
Hobart	5
Kentish	1
Kingborough	2
King Island	1
Latrobe	1
Launceston	3
Meander Valley	1
Northern Midlands	1
Sorell	1
West Coast	1
Total	28

Successful applicants aligned to Small Business Growth Strategy 2026 themes

Growth Strategy Theme	Number of Successful Applicants
Enabling business	20
People and Connections	3
Place	1
Technology	4
Total	28

Successful applicants aligned to Small Business Growth Strategy 2026 grant program streams

Growth Strategy Grant Stream	Number of Successful Applicants
Research and feasibility studies	3
Scaling up / business growth	20
Workplace capability	5
Total	28

Successful applicants by Industry Sector

Industry Sector	Number of Successful Applicants
Accommodation	2
Agriculture	4
Communication	2
Construction	1
Cultural activities, arts and events	1
Education	2
Electricity, gas and water supply	0
Fishing	1
Forestry	0
Health, medical and community service	0
Hospitality (food and beverage)	2
Information technology	0
Manufacturing	7
Mining	2
Personal and other services	0
Property and business services	3
Recreational and fitness	0
Retail / sales	0
Transport	0
Travel and tours	1
Wholesale trade	0
Total	28

Jobs/Investment created:

N/A

Unit/Program Budget:

2022-22 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0*	\$200,000	\$500,000	\$300,000	\$0	\$0

* At the time of preparing this brief no funding had been allocated or disbursed as the panel had not been convened to make funding recommendations.

Released under RTI

Background

- To be eligible, all applicants had to be registered with an active Australian Business Number (ABN) from 1 July 2021.
- Additional eligibility criteria for business applicants:
 - Must have had a reported annual sales turnover in the 2021-22 financial year of at least \$50,000.
- Additional eligibility criteria for organisation applicants:
 - Must be primarily located in Tasmania with a 90 per cent Tasmanian-based membership.
 - Must be an organisation that provides information, membership support, advocacy, representation and other supportive function for its business members.
 - Must have a membership base comprising of at least 60 per cent small business members.

Funding amounts

- The business applicant's turnover in 2021-22 determined which tier of funding it was eligible for:
 - Tier 1: Turnover between \$50,000 - \$99,999 – Grants of up to \$15,000
 - Tier 2: Turnover between \$100,000 - \$299,999 – Grants of up to \$30,000
 - Tier 3: Turnover of more than \$300,000 – Grants of up to \$50,000
- Organisation applicants could apply for a grant of up to \$50,000.

Assessment Criteria

- The assessment criteria included:
- The provision of a detailed project plan and identification of how well it aligned to one of the Small Business Growth Strategy themes.
- The applicant's demonstrated capacity to deliver their proposed project.
- The applicant's project budget and demonstration of how it would deliver value for money, including the applicant's ability to contribute at least one third of the total project cost.

Small Business Growth Strategy

- The Small Business Growth Strategy received \$250,000 per year for four years as per the 2019-20 Budget. This funding concludes in the 2022-23 financial year and is in addition to funding for the Tasmanian Business Advice Service (formerly the ECT Program). Additional funding for the implementation of the Strategy from 2023-24 will be sought through the budget process.
- Business sector engagement during phase one of the consultation process to develop the strategy was delivered in June and July 2022 and included:
 - 12 roundtable sessions, with 68 businesses and stakeholder groups represented.
 - 10 one-on-one sessions with businesses and key stakeholders.
 - 195 online surveys completed.
 - Seven email submissions received.
- The input from the consultation process was collated under four themes:
 - People and connections.
 - Place.

- Enabling business.
- Technology.
- A second phase of consultation was undertaken in October 2022 and provided the opportunity for businesses and interested parties to comment on the draft strategy, with eight email submissions received.
- The themes identify the areas of focus for the strategy, and a series of objectives that address each theme will guide the development of a series of implementation plans. The first implementation plan covers activities to be undertaken between January 2023 and June 2024.
- The Small Business Growth Strategy Grant Program is one of the key initiatives of the first implementation plan that will be delivered this year.

Released under RTI

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **SMALL BUSINESS STATISTICS (INCLUDING BANKRUPTCIES)**
Date prepared: 26 April 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- Tasmanian small businesses employing 19 or less full-time staff make up 97 per cent of our businesses and are a critical part of our economy
- The strength of our economy is evidenced by CommSec's May 2023 State of the States Economic Performance Report, which ranks Tasmania as Australia's economic leader and best performing economy
- Tasmania ranks first on equipment investment, dwelling starts, and relative unemployment, and second on housing finance
- Equipment investment in Tasmania was up by 65.2 per cent on the decade average, and up 14.4 per cent on the previous year
- Dwelling starts in Tasmania were 17.8 per cent above the decade average
- And Tasmania has the strongest job market with trend unemployment at 3.8 per cent in March 2023, 37.7 per cent below the decade average
- Tasmania is ranked second on housing finance, with the value of home loans up 10.2 per cent
- Tasmania still has the highest survival rate of businesses when compared to other states. Of those Tasmanian businesses operating in June 2018, 68.4 per cent were still operating in June 2022
- ABS data shows that in June 2022, 41,334 small businesses were operating in Tasmania, a 4.4 per cent increase on the year before

- Our top three small business sectors by number of businesses are:
 - The construction industry, with 7,329 businesses, or 18 per cent of the total businesses
 - The agriculture, forestry, and fishing industry, with 5,466 businesses, or 13 per cent of total businesses
 - Rental, hiring and real estate services, with 4,153 businesses, or 10 per cent of total businesses
- While we know that our economy is strong and many businesses are doing well, we also know that some small businesses will continue to require support as it faces the challenges associated with rebuilding and recovery following recent global events
- The Tasmanian Government will continue to support our small businesses and in the current financial year to date since 1 July 2022, more than 520 individual grants totalling over \$2.09 million have been provided to Tasmanian small businesses, through various grant programs administered by the Small Business Unit
- In 2021-2022, Tasmania recorded 37 business related and 138 non-business-related bankruptcies according to the Australian Financial Security Authority (AFSA), the second lowest number of bankruptcies since 2008-2009
- The government will also continue to support businesses through the Business Tasmania service and with the new Tasmanian Business Advice Service launching in **the new financial year** (replacing the Enterprise Centres Tasmania program), which provides essential information and guidance to help establish and grow our small business sector.

Key Statistics

- CommSec's May 2023 State of the States Report:
 - Tasmania has regained top spot in the economic performance rankings, ranking first on equipment investment, dwelling starts and relative unemployment:
 - Equipment investment in Tasmania was up by 65.2 per cent on the decade average, and up 14.4 per cent on the previous year
 - Dwelling starts in Tasmania were 17.8 per cent above the decade average
 - And Tasmania has the strongest job market with trend unemployment at 3.8 per cent in March 2023, 37.7 per cent below the decade average
 - Tasmania is ranked second on housing finance, with the value of home loans up 10.2 per cent
 - Tasmania ranks third in Gross State Product (GSP), up 31.4 per cent above the 'normal' (decade average) level of output behind Western Australia and Queensland
 - Tasmania remains in fifth position for retail rankings with spending up 12.9 per cent on the long-term average
 - And in relation to construction work (defined as the total real value of residential, commercial and engineering work completed in trend terms in the December quarter 2022), Tasmania ranks third with work done 13.5 per cent above the decade average
 - Population growth (the current annual growth rate compared to the decade average) was down 33.9 per cent (with a ranking of seventh position) however the absolute annual population growth is up 0.73 per cent
 - Tasmania (as well as Western Australia) also has the fastest wage growth at 3.6 per cent
- Tasmanian businesses have the highest survival rate compared to other States and Territories with 68.4 per cent of the businesses operating in June 2018 were still operating in June 2022
- In June 2022, 41,334 small businesses (employing 19 or less employees) operating in Tasmania, 4.4 per cent more than the year before
- While 2022 ABS figures show that 60 per cent of small businesses did not employ staff, it is encouraging to note that the number of small businesses that employed staff increased by 518 businesses to 40 per cent
- The largest employing industries in Tasmania at February 2022¹ include:
 - Health care and social assistance – 47 200 workers (16.5 per cent of total)
 - Retail trade – 27,800 workers (11 per cent of total)
 - Education and training – 26,100 workers (9.1 per cent of total)
 - Construction – 25,200 workers (8.8 per cent of total)
 - Accommodation and food services – 23,100 workers (8.1 per cent of total)
- Small businesses account for 97 per cent of all businesses in Tasmania:
 - 60 per cent of total small businesses were non-employing
 - 40 per cent of total small businesses were employing between 1 and 19 staff

¹ Source: Australian Bureau of Statistics Labour Force, Detailed, February 2023, four-quarter averages.

- The top five largest industry sectors in Tasmania by number of small businesses in 2020-2021 were:
 - The construction industry, with 7,329 businesses, or 18 per cent of the total businesses
 - The agriculture, forestry and fishing industry, with 5,466 businesses, or 13 per cent of total businesses
 - Rental, hiring and real estate services, with 4,153 businesses, or 10 per cent of total businesses
 - The professional, scientific and technical services industry, with 4,128 businesses, or 10 per cent of total businesses
 - The transport, postal and warehousing industry, with 3,083 businesses, or 7 per cent of total businesses
- In June 2022 there were 42,614 actively trading businesses in the Tasmanian economy, a 4.7 per cent increase or a total increase of 1,896 businesses compared to the year before:²
 - The business entry rate was 15.6 per cent, with 6,360 entries
 - The business exit rate was 10.4 per cent, with 4,612 exits

Financial Year	Number of businesses at start of year	Number of businesses at end of year	Change in number of businesses
2018-19	36,797	37,795	998 (+2.7%)
2019-20	37,795	39,265	1,470 (+3.9%)
2020-21	39,265	40,718	1,453 (+3.7%)
2021-22	40,718	42,614	1,896 (+4.7%)

Source: ABS Catalogue No. 8165.0, Data cube 1, table 4

- Below is a table business employment size categories in Tasmania:

Year ending	Non employing	1-4 employees	5-19 employees	Total small businesses (0-19)	20+ employees	Total (all) businesses
2019	22,423	9,732	4,499	36,654	1,215	37,869
2020	23,698	9,800	4,576	38,074	1,206	39,280
2021	23,827	11,093	4,682	39,602	1,116	40,718
2022	25,001	11,372	4,961	41,334	*1,280	42,614

Source: ABS Catalogue No. 8165.0, Data cube 2, table June 2022a

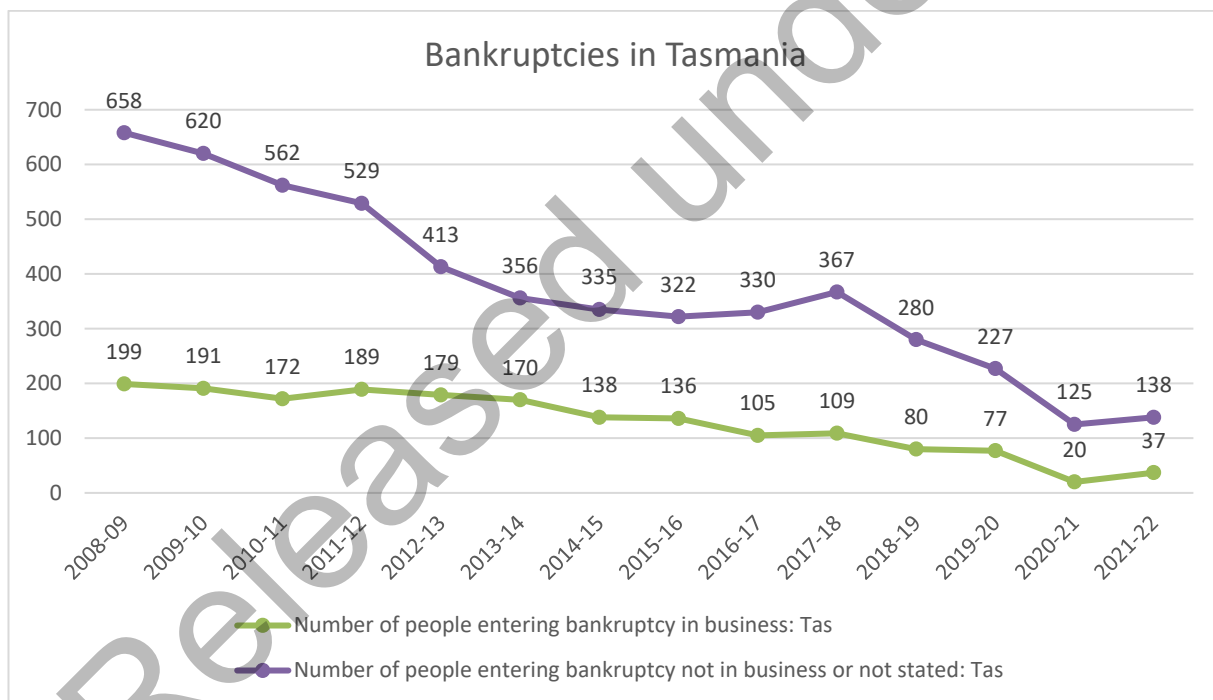
* Number adjusted

² Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits July 2018 - June 2022

- A breakdown of Tasmanian small businesses by Local Government Area in June 2022 shows that the municipalities of Hobart, Launceston and Clarence have the highest number of small businesses with 6,646, 5,804 and 3,751 respectively.

Bankruptcies

- In the March 2023 quarter, there were 8 business related bankruptcies in Tasmania, a decrease of 4 from the previous quarter (December 2022) and 39 non-business related bankruptcies, an increase of 3 from the previous quarter
- In 2021-2022, Tasmania recorded 37 business related and 138 non-business related bankruptcies according to the Australian Financial Security Authority, the second lowest number of bankruptcies since 2008-09
- Compared to 2020-2021, the number of business-related bankruptcies increased by 17, and non-business related bankruptcies increased by 13
- Tasmania's strong economic performance is clearly demonstrated by the overall declining trend in bankruptcies over time, and while there has been a slight increase from 2020-2021 to 2021-2022, the bankruptcies remain low after achieving a historic low in 2020-2021



Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **ST MARYS AND THE SIDLING ROAD CLOSURE RELIEF**

Date prepared: 27 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government values and recognises the contributions that small businesses make to the Tasmanian economy and local communities, and we know these businesses are also the most vulnerable when unfortunate and unexpected events occur.
- The severe weather event in October 2022 resulted in the full road closure of St Marys Pass and the Sideling on the Tasman Highway.
- St Marys Pass was closed from 26 October 2022 to 19 December 2022.
- The Sideling was closed from 13 October 2022 to 27 February 2023.
- When emergencies occur that make roads unsafe, it is essential we take steps to repair the damage in the safest and most efficient way. The decision to close any roads is not taken lightly and is always done with the safety of commuters and workers in mind.
- To enable the government to understand the full impact on businesses in and around these road closures, on 15 March 2023 we invited businesses to submit an Expression of Interest (EOI) outlining the impacts on their business.
- The intent was for the government to use the information received to develop a fit-for-purpose package of support based on the demonstrated need of impacted businesses.
- The EOI closed on 5 April 2023 with only three applications received.

- Two of the three applicants were not eligible to receive funding as they did not meet the eligibility criteria.
- On the basis that only one eligible application was received through the Expression of Interest process, a fit-for-purpose grant funding package was not required.
- The eligible applicant was asked to provide evidence to support the claims they made in their Expression of Interest application. This was reviewed, and based on funding provided in previous hardship grants, the applicant was approved for a one-off grant of \$35,000.

Key Statistics

N/A

Jobs/Investment created:

N/A

Unit/Program Budget:

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$35,000	\$0	\$0	\$0	\$0	\$0

Background

- To be eligible for the EOI, small businesses had to be in either of the following regions:
 - St Marys Pass region:
 - In the immediate township of St Marys, or
 - Along the Esk Highway from the junction with the Midlands Highway to the junction of the Tasman Highway on the East Coast.
 - The Sideling region:
 - Small businesses located along the Sideling on the Tasman Highway and businesses that could demonstrate that they rely on road traffic that utilises the Sideling.
- Further eligibility requirements included:
 - Demonstrating a reduction in sales turnover of at least 30 per cent during the period of the road closure compared with the same period in the previous year.
 - Having an annual business sales turnover in the 2021-22 financial year of at least \$30,000.
 - Having 19 or less Full Time Equivalent (FTE) employees.
 - Being a small business that was actively operating in the month immediately prior to the rain event (September 2022) and during September 2021.
 - Being registered for tax purposes with an active Australian Business Number from 1 July 2021.
- Businesses wanting to participate in the EOI process were encouraged to do so via the Business Tasmania website.
- The Business Tasmania Service was in direct contact with impacted businesses in and around St Marys Pass and the Sideling.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **SUPPORT FOR BUSINESS IMPACTED BY THE OCTOBER 2022 FLOOD EVENT**

Date prepared: 28 April 2023

Output Group: I Industry and Business Growth

Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government recognises the integral part small businesses play in local economies and communities and the impacts that severe events such as a major flood or bushfire have.
- On 13 and 14 October 2022, 17 municipalities across Northern Tasmania were impacted by a severe weather event.
- Working with the Australian Government under the Disaster Impact Support Arrangements, we provided financial assistance to support impacted small businesses with the costs of clean-up and recovery.
- Grants of up to \$25,000 were made available to small businesses that suffered direct damage through a two-tiered grant program.
- Tier one was an initial and immediate assistance one-off grant of \$2,500 with applicants required to describe and provide evidence of the direct damage to their business.
- Applications for Tier one closed on 31 January 2023 with 48 businesses approved for funding, resulting in \$120,000 of immediate support provided.
- Applicants assessed as being eligible for Tier one were subsequently invited to apply for a Tier two grant.
- Tier two was a one-off grant of up to an additional \$22,500, taking the total maximum grant possible to \$25,000.

- Businesses applying for a Tier two grant were required to support their claims with evidence of clean-up and repair works already undertaken.
- Applications for Tier two closed on 27 April 2023, with 31 businesses approved for a Tier two grant totalling \$580,049.
- In total across both Tiers of funding, 48 businesses have received a total of \$700,049.

Key Statistics

N/A

Jobs/Investment created:

N/A

Unit/Program Budget:

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$700,049	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Background

- The severe weather event significantly impacted parts of 17 municipalities across Northern Tasmania, including Break O'Day, Burnie, Central Coast, Central Highlands, Circular Head, Devonport, Dorset, Flinders, George Town, Kentish, Latrobe, Launceston, Meander Valley, Northern Midlands, Waratah-Wynyard, West Coast and West Tamar.
- Applicants under Tier two needed to provide evidence of full payments to be reimbursed that were not covered by the business's insurance.
- Applicants could apply for funding under this program to help pay for the costs of clean up and reinstatement of the small business, including for example:
 - Engaging a tradesperson to conduct a safety inspection of damage to a property, premises or equipment.
 - Hiring and/or leasing equipment or purchasing materials to clean a property, premises or equipment.
 - Removing and disposing of debris, damaged goods, or material.
 - Removing and disposing of spoiled goods and stock due to power outage.
 - Essential repairs to premises and internal fittings.
- As the Australian Government stipulated the grant requirements under the Disaster Recovery Funding Arrangements, the guidelines for this program did not reflect the Department of State Growth's normal simple grant guidelines.
- Further, the Australian Government stipulated that grants were not available to recover lost wages, income, or revenue.
- A separate but similar grant program, the Primary Producers Emergency Response Grant Program, with grants of up to \$25,000 available, was delivered by the Department of Natural Resources and Environment Tasmania.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **WORKFORCE SHORTAGES FOR SMALL BUSINESS**

Date prepared: 11 May 2023

Output Group: 1 Industry and Business Growth

Output: 1.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government notes the importance of being able to attract and retain the right staff for small businesses.
- The Small Business Growth Strategy 2026 was launched on 26 February 2023 following an extensive consultation process that occurred throughout 2022. This consultation noted many of the key issues for small businesses across Tasmania, including workforce shortages.
- Factors impacting labour shortages and the attraction and retention of skilled workers are wide ranging and include historically low unemployment rates and a high demand for workers across most sectors, skilled migration, Vocational Education and Training and work conditions, as well as barriers such as accessing affordable housing and childcare.
- I will outline some of the key initiatives that this government is doing to address the significant issue of workforce shortages for Tasmanian small businesses.
- The Tasmanian Government has invested almost \$40 million to create Jobs Tasmania and the Regional Jobs Hub Network to work with communities, business, and industry to connect workers to jobs and get people back into training and the labour market.

- Complementing the Regional Jobs Hub Network are a range of targeted program responses, designed to work with employers and/or specific population groups to increase employability skills and work-readiness, or to facilitate job matching opportunities, including the following:
 - Career Connector – this program supports specific population groups to re-engage with work and/or formal education and training (such as people who have lost their jobs due to COVID-19 or have been made redundant, young people 18-25, older Tasmanians 45 years or older, and migrants with working rights who are unemployed or underemployed).
 - The Job Ready Fund – this program supports eligible job seekers to meet the cost of essential licenses or equipment required for a new job.
 - A range of Employment Support programs delivered by the Migrant Resource Centre, Hamlet, Troublesmiths, Fit For Work, the National Disability Service, and Dress For Success.
 - And the Employer of Choice Program:
- The Employer of Choice (EoC) Program supports Tasmanian businesses to connect, share knowledge and build capability to attract, retain and develop a skilled workforce.
- The EoC Program has three core streams of work that will support employers to promote their workplaces and attract the workforce they need now and into the future:
 - The first is the recognition program – a process to assess, recognise and promote best practice.
 - The second is facilitating networking and events – working closely with the Regional Jobs Hubs in the delivery of topical, focused, regional sessions.
 - And thirdly, an advisory service – providing practical human resources support for small businesses to help attract and retain a skilled workforce.

- Through its core streams of activity, the EoC Program aims to increase business capacity and growth by accessing underutilised and underrepresented candidate pools and will help Tasmanian businesses to develop more supportive workplaces by increasing workforce diversity and embedding workplace best practices.
- The program operates with a focus on engagement at the individual business enterprise level, in addition to the relationships with industry stakeholders and business peak bodies.

Skills Tasmania

- We also recognise that supporting more Tasmanians into training and jobs is critical to addressing skills needs.
- Tasmanians can access training opportunities in 2023, with subsidised and fee-free training on offer across key industries.
- Support for training is available through four contestable programs for:
 - Tasmanians wanting to take up apprenticeships and traineeships.
 - Tasmanian jobseekers and people looking to upskill or gain new skills to improve their employment outcomes and opportunities.
 - Tasmanian employers looking to upskill their existing workforce.
 - Individuals or organisations targeting specific disadvantages impacting people accessing and participating in training and employment.
- Skills Tasmania administers these programs through competitive grant rounds, open to endorsed Registered Training Organisations with links to local employers and industry.
- Funding of \$10.8 million was committed in 2021-22 to expand the Apprentice and Trainee Grant for Small Business Program, as a pandemic response initiative. The program was fully subscribed by 30 April 2022, with 3,228 grants approved comprising 1,629 small businesses taking on new apprentices and trainees (as of 14 April 2023). Payments under this program are continuing, but the program is now closed to new applicants due to the funding being fully committed.

- In addition, through Skills Tasmania, the government is developing Industry Skills Compacts which will focus on supporting stronger collaborative partnerships between participants in the training and workforce development system to ensure that training investment meets workforce needs and emerging challenges.

Global Education and Migration

- We continue to support pathways for prospective skilled migrants through Tasmania's Skilled Migration State Nomination Program.
- In addition, through the Global Education and Migration unit, various activities are ongoing to connect international students and skilled migrants with employment opportunities and raise awareness of these cohorts with Tasmanian employers.

Tourism and Hospitality

- In response to workforce challenges, a Tourism and Hospitality Workforce Action Plan was developed by the Department of State Growth and endorsed by the Premier's Visitor Economy Advisory Council on 12 August 2022 and has been progressively delivered since then.
- In response to the supply shortage, to attract, train and match the workforce to the peak summer period and beyond, the Tourism and Hospitality Workforce Action Plan delivered activity includes:
 - Support to the Beacon Foundation with a \$100,000 grant to deliver career readiness programs and highlight tourism and hospitality career pathways in lower socioeconomic schools across the state.
 - And support for Visitor Experience Training to grow unaccredited training through a \$1 million grant deed which includes a provision for up to 500 course places state-wide in 2023, with a particular focus on reaching under-serviced regional areas.
- We also fund the Tasmanian Hospitality Association to expand and develop new initiatives that have a strong focus on business sustainability, workforce development and customer service, which is helping to ensure the industry has access to skilled and capable staff. Two of these programs are:

- A \$2.25 million grant to deliver initiatives under the strategic Hospitality 2030 Plan, including regional industry engagement via the Regional Tourism Organisations, workforce development, and promotion of hospitality careers pathways in schools.
- A \$2.4 million grant for the Great Customer Experience program to build hospitality operator and employee capacity, commitment and knowledge, with the overarching goal of improving business operations and elevating the customer experience.
- Many of these initiatives are outlined in the current Small Business Growth Strategy Implementation Plan that covers activities through to 30 June 2024.
- We understand the imperative to address the issue of workforce shortages and this is evidenced by the significant number of measures both planned and in place, being delivered by this government.

Unit/Program Budget (Small Business Growth Strategy 2026):

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$250,000	\$250,000	\$0	\$0	\$0	\$0

Background

Small Business Growth Strategy 2026

- The Small Business Growth Strategy received \$250,000 per year for four years as per the 2019-20 Budget. This funding concludes in the 2022-23 financial year and is in addition to funding for the Tasmanian Business Advice Service (formerly the ECT Program). Additional funding for the implementation of the Strategy from 2023-24 will be sought through the budget process.
- The input from the public consultation process undertaken in the strategy's development was collated under four themes:
 - People and connections
 - Place
 - Enabling business
 - Technology
- The themes identify the areas of focus for the Strategy, and a series of objectives that address each theme guide the development of a series of implementation plans.
- The first implementation plan was released in early May 2023 and covers activities to be undertaken between January 2023 and June 2024. This includes actions aimed at addressing workforce shortages for small businesses.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: WEST COAST WILDERNESS - SUPPORT FOR BUSINESSES
Date prepared: 4 May 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- The West Coast Wilderness Railway is one of the West Coast's major drawcards and a key infrastructure asset that brings people to the region, which in turn supports local small businesses.
- Major upgrade work will commence on the railway over winter to ensure it can meet future growth in demand and continue to be a major drawcard for the region for decades to come.
- To ensure the upgrade work can occur safely, the railway is scheduled to shut down from 1 June to 31 October.
- In making this key decision we have prioritised the quality of the passenger experience. It has become clear that, without action, passengers may not have the highest quality journey, and this could quite quickly erode the reputation of the railway and further impact the region.
- We know that this shutdown will have an impact on our tourism operators, small businesses and the region, and in recognition of this, we have developed a \$1 million support program to drive continued visitation, while also supporting our small businesses on the ground to invest in their businesses during the winter period.
- On 5 May, the Premier and I announced the Small Business Growth Strategy special edition grant program, specifically to support those impacted small businesses on the West Coast.

- \$350,000 has been allocated to this program. 70 grants of \$5,000 will be provided to businesses that wish to invest in new projects aligned to our Small Business Growth Strategy.
- \$50,000 in additional business support will be provided - \$40,000 for specific business advice provided by Braddon Business Centre, and \$10,000 in digital support via the Digital Ready for Business program.
- We have also allocated \$400,000 to a targeted travel voucher program to encourage more visitors to the west, with more details to be announced on this at a later stage.
- We are also allocating \$200,000 to assist the council and West by North West to plan for the future through a new heritage tourism masterplan project, ensuring the railway is developed as a visitor attraction for the longer term, is enhanced and linked to other ventures.
- This government continues to support our Tasmanian small businesses and this support package recognises the importance they play in our regions.

Key Statistics

Jobs/Investment created:

Unit/Program Budget:

Small Business Growth Strategy Grant Program – Special edition west coast

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$350,000*	\$	\$	\$	\$

*Expenditure of this grant is dependent upon timing.

Additional Business Advice

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$0	\$	\$	\$	\$

*Funding will be allocated for business advice and digital support. No funding has been disbursed at the time of preparing this document

Voucher Program

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$0	\$400,000	\$	\$	\$

New heritage tourism masterplan project

2022-23 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$0	\$200,000	\$	\$	\$

Background

N/A

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: ZEPS CLOSURE
Date prepared: 27 April 2023
Output Group: I Industry and Business Development
Output: I.2 Industry and Business Development

Speaking points

- In February 2023 Zeps Café in Campbell Town decided to close its doors.
- It is a sad day when any Tasmanian Small Business decides it can no longer continue.
- As the Minister for Small Business, I recognise even in good times running a small business is challenging, but current circumstances including coming out of COVID-19, rising bank interest rates and worker shortages across the state makes it even more difficult.
- Both my office and the Business Tasmania service contacted Zeps several times to offer support prior to their decision to close the business.
- I am advised Business Tasmania arranged for an advisor under the Enterprise Centres Tasmania service to provide Zeps with free business advice on several occasions.
- As the Minister for Small Business, I encourage any small business facing financial hardship to engage early with their key stakeholders including their accountant, landlord, suppliers, and staff early.
- As a government, we provide business support and information through Business Tasmania, and independent qualified advice through our Enterprise Centres Tasmania service, to help any small business needing assistance or wanting to grow.

Key Statistics**N/A****Jobs/Investment created****N/A****Background**

- Business Tasmania contacted the Zeps Café owner several times to offer support and arrange for an advisor in the Enterprise Centre Tasmania (ECT) service to provide free business advice.
- The business owner spoke to the business advisor who offered advice regarding continuing to operate, however the business owner decided it was in their best interest to close the business.
- The ECT advisor spoke to Deloitte regarding the best way for the business owner to close the business. The business owner commenced working with Deloitte on the voluntary administration process.

- When COVID-19 hit and with lock down and density limits, Zeps closed for several weeks.

- The owners tried to innovate by offering home delivery meals and this was well supported by locals.

Payroll tax

- If payroll tax was a consideration in the decision to close, payroll tax responsibilities sit within the Treasury Portfolio.
- Tasmania has one of the most competitive payroll tax arrangements in the country.
- Tasmania's tax-free threshold of \$1.25 million is one of the highest of all jurisdictions.
- Payroll tax is an important source of funding to the Tasmanian Government which enables it to provide essential services such as hospitals, police and emergency services, schools and roads.
- The Tasmanian Government introduced changes to payroll tax arrangements in 2018 to make payroll tax more competitive, with a reduction from 6 per cent to 4.1 per cent for wages between \$1.25 and \$2 million.
- Payroll tax incentives are also available to assist Tasmanian businesses including a payroll tax rebate on wages paid to newly employed apprentices, trainees and youth employees for up to two years.
- The payroll tax rebate scheme has been extended to 30 June 2024.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **FARM DEBT MEDIATION**
Date prepared: 25 May 2023
Output Group: I Industry and Business Growth
Output: I.2 Industry and Business Development – Small Business

Speaking points

- The Government remains committed to implementing a legislated Farm Debt Mediation scheme to support farmers in financial stress deal with their creditors.
- I expect to take a proposal to cabinet to bring the legislation to parliament in the coming months.
- There have been some delays with this work, in part due to the need to work through how to implement this legislation in Tasmania.

Key Statistics

Based on data from other Australian jurisdictions, it is anticipated that there may be between 8-17 farm debt mediations in Tasmania each financial year, or around 1-2 each calendar month.

As at 30 June 2018, agricultural debt in Tasmania was \$1.9 billion, spread across 3,365 business entities. Of this debt, \$27 million (1.4%) was in arrears, spread across 41 business entities (1.2% of business entities). This was the highest proportion of debt in arrears of any Australian jurisdiction.

Jobs/Investment created:

The intention of this scheme is to ensure that farmers and their creditors first go into mediation to resolve debt issues before a farmer is put in a position where there is no other option than foreclosure. This scheme supports ongoing employment.

Unit/Program Budget:

The original funding allocation for implementing this scheme in the 2021-22 budget papers was \$375,000 over three years (so \$125,000 per year from 2022-23 to 2024-25). No expenditure has occurred so far due to the delays in progressing the legislation.

State Growth has requested that these existing funds be rolled forward into future years and understands this has been approved. The budget has also provided additional funding of \$63,000 per year in 2025-26 and 2026-27 to extend the scheme.

2021-22 Actual	2022-23 Budget	2023-24	2024-25	2025-26	2026-27
\$0	\$125,000	\$125,000	\$125,000	\$188,000*	\$63,000

Notes

* This includes the \$125,000 rolled forward from previous years plus the \$63,000 of additional funding provided in the 2023-24 budget.

Background

- Ahead of the 2021 State Election, the Government committed to implement a legislated Farm Debt Mediation (FDM) scheme in Tasmania to support farmers in financial stress deal with their creditors. The commitment formed part of the *Accelerating Agriculture* election policy and included a funding allocation of \$375,000 over three years.
- This announcement was in the context of the Government's commitment to the Australian Government to implement a legislated FDM scheme based on nationally consistent principles, as recommended in response to the 2019 *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*.
- Farm debt mediation is a structured negotiation process in which an accredited mediator – a neutral and independent person – assists farmers and their creditors to resolve matters relating to farm debts, and to formalise that resolution in an agreement. This process determines that FDM is required before a creditor can take enforcement action under a farm mortgage. Mediation can be initiated by a creditor or the farmer.
- Currently, FDM schemes are legislated in New South Wales (1994), Victoria (2011), Queensland (2017), and South Australia (2018).
- Tasmania does not have a legislated FDM scheme. Instead, financial counselling and informal negotiation services are provided to farmers experiencing financial hardship on a free of charge, voluntary basis by organisations such as the Rural Financial Counselling Service (RFSC), which is funded by the Australian and Tasmanian Governments.
- A legislated scheme is not intended to replace informal approaches, and there will be no impact on the financial counselling services provided by the RFCS. Rather, FDM is intended to complement early, informal negotiations, providing an additional layer of protection for farmers in situations where issues cannot be resolved through informal approaches.
- The implementation of this scheme was originally tasked to the Department of Natural Resources and Environment Tasmania which undertook the initial public consultation in early 2021. In 2022 the responsibility for delivering this task moved to the Department of State Growth. A number of issues relating to conflicts of interest were identified (specifically the as it relates to the relationship which exists between the Tasmanian Development and Resources Board as creditor, Minister for State Growth as the accountable Minister and Secretary of State Growth as Secretary and CEO of the Tasmanian Development and Resources Board).
- Part of the solution to this potential conflict of interest was the transfer of responsibility for sponsoring this scheme from the Minister for State Development, Construction and Housing (SDCH) to yourself as the Minister for Small Business.

Department of State Growth

Budget Estimates Briefing
Minister for Small Business
Minister for Science and Technology
Minister for Advanced Manufacturing and Defence Industries



Subject: **FRADULENT GRANT PREVENTABLE MEASURES**

Date prepared: 1 June 2023

Output Group: 1 Industry and Business Growth

Output: 1.2 Industry and Business Development – Small Business

Speaking points

- The Tasmanian Government recognises the importance of protecting our businesses from fraudulent grant application activity.
- I understand that the Department of State Growth manages grants according to the Treasurers Instructions FC-12 Grant Management, issued under section 51 of the Financial Management Act 2016.
- I also understand that the department has the following key grant compliance and auditing processes in place:
 - Crown grants and loans delegations which outlines monetary limits for approving Crown grants and grant variations.
 - An external audit program undertaken annually by the Tasmanian Audit Office to review financial and grant program performance.
 - A Fraud and Corruption Control Policy which sets out the departments policy in relation to fraud and corruption and its position on the prevention and detection of fraud and corruption.
 - A Grants Management Policy setting out the department's requirements when delivering and administering the full life cycle of grants.

- Grant system management processes that apply a standardised approach to procedures such as applicant terms and conditions, conflict of interest processes, confirmation of eligibility and audit trails.
 - Grant eligibility checks can include monitoring for unusual patterns in grant applications, such as duplicate submissions, inconsistencies in information provided and provision of fraudulent documentation.
 - Audit trails allow for access to, and modification of information logged.
- An internal audit program that includes an annual audit of grant compliance with Treasurer's Instruction FC-12 undertaken on behalf of the department by Wise Lord and Ferguson Accounting and Advisory.
- A Managing Conflicts of Interest Policy ensures department employees avoid conflicts of interest wherever possible when dealing with grant applications whereby employees identify and declare conflicts which are then actively managed transparently.
- The department's Grant Services team keeps a "suspicious grant register" that is accessible for all grant program managers to cross reference potential fraudulent grant applications.
- I am also aware that the department's Small Business unit implements additional mitigation strategies in relation to quickly and efficiently identifying potential fraudulent small business grant applications. These measures include:
 - Use of Scripting of Application Programming Interface to assist in identifying potential fraudulent applications through a cross referencing process against program guidelines and applications across multiple programs.
 - Requiring the uploading of documentation in application forms to verify current business operation and address, such as lease agreements, drivers' licenses, employment details, business bank account statement, tax returns and utility accounts such as an energy bill.

- A due diligence verification process where an assessor identifies a possible fraudulent application. The process includes the following:
 - The assessor will check the suspicious grants register and request Business Tasmania to contact the business to confirm if the application is genuine by verifying information such as the phone number, email address and bank account number provided on the grant application form.
 - If the business has no knowledge of the application they are advised of the situation, and the department carries out the appropriate course of action depending on the circumstances. This includes notifying the department's Fraud Control Officer and adding the applicant details to the suspicious grant register.

Released under
FOI